





INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD



HEARINGS

BEFORE THE

SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

EIGHTY-SIXTH CONGRESS
FIRST SESSION

PURSUANT TO SENATE RESOLUTION 44, 86TH CONGRESS

MARCH 23, 24, 25, APRIL 7, 8, 9, 10, 14, AND 15, 1959

PART 48

Printed for the use of the Select Committee on Improper Activities in the Labor or Management Field





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UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON: 1959

SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

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11

CONTENTS

THE COIN-OPERATED AMUSEMENT AND VENDING MACHINE INDUSTRY

	Page
Amenda	_
Appendix	17081
Testimony of— Anderson, Mrs. Annie May	17515
Anderson, Mrs. Anine May	17100
Ayers, Warren	17995
Baitler, Leonard	17000
Belino, Carmine S	17007
Blatt, William	17307
Breen, William	17306
Brilliant, Joseph	17406
Bufalino, William E 17608, 17640, 17643, 17650, 17657, 176	572, 17677
Brilliant, Joseph	17310
Cohen, Michael	17326
Coleman, Morris	576, 17586
Deschryver, Victor Duff, Gerald Dukes, C. D Frechette, David Ciller Pichard I	17436
Duff, Gerald	17560
Dukes, C. D.	17535
Frechette, David 173	384, 17396
Gillen, Richard J	17245
Goldman, Morris	471, 17477
Goldman, Morris 17- Goldman, Morris 17- Gorman, Richard E Helow, Donald Holland, Neil Honkins, Carl E	17504
Helow, Donald	17348
Holland, Neil	17426
Hopkins, Carl F Indellicato, Joseph James, Eugene C	17491
Indellicato, Joseph	17377
James, Eugene C 174	483, 17490
Jason, Edward	17481
out of the second of the secon	
Johnson Sigfrid	17509
Johnson, Sigfrid	17509
Kaplan, Arthur G. 17373, 17401, 174	17509 17476
Kaplan, Arthur G	17509 57, 17476, 549, 17676
Kaplan, Arthur G	17509 57, 17476, 549, 17676 397, 17402
Kaplan, Arthur G	17509 57, 17476, 549, 17676 397, 17402 233, 17251
Kaplan, Arthur G	17509 57, 17476, 549, 17676 397, 17402 233, 17251
Kaplan, Arthur G	17509 57, 17476, 549, 17676 397, 17402 233, 17251 17551 17257
Kaplan, Arthur G	17509 57, 17476, 549, 17676 397, 17402 233, 17251 17551 17257
Kaplan, Arthur G	17509 57, 17476, 549, 17676 397, 17402 233, 17251 17551 17257 17325 152, 17656
Kaplan, Arthur G	17509 57, 17476, 549, 17676 397, 17402 233, 17251 17551 17325 152, 17656 17568
Kaplan, Arthur G	17509 57, 17476, 549, 17676 397, 17402 233, 17251 17551 17325 152, 17656 17568
Kaplan, Arthur G	17509 57, 17476 549, 17676 397, 17402 233, 17251 17557 17325 152, 17656 17361 17361
Kaplan, Arthur G	17509 57, 17476 549, 17676 397, 17402 233, 17251 17551 17325 152, 17656 17568 17675 467, 17469
Kaplan, Arthur G	17509 57, 17476, 519, 17676 397, 17402 233, 17251 17551 17325 152, 17656 17568 17568 17675 167, 17469 17528
Kaplan, Arthur G	17509 57, 17476, 59, 17676 397, 17402 233, 17251 17551 17357 152, 17656 17568 17568 17675 467, 17469 17528 17237
Kaplan, Arthur G	17509 57, 17476, 549, 17676 397, 17402 233, 17251 17557 17325 152, 17656 17361 17675 467, 17469 17528 17528 17528 17528
Kaplan, Arthur G	17509 57, 17476 549, 17676 397, 17402 233, 17251 17325 152, 17656 17568 17675 467, 17469 17528 17528 17549
Kaplan, Arthur G	$\begin{array}{c} -17509 \\ 57, 17476 \\ 549, 17676 \\ 397, 17402 \\ 233, 17251 \\ -17551 \\ -17257 \\ -17325 \\ 152, 17656 \\ -17568 \\ -17568 \\ -17568 \\ -17568 \\ -17528 \\ -17528 \\ -17528 \\ -17549 \\ -175$
Kaplan, Arthur G	17509 57, 17476, 519, 17676 397, 17402 233, 17251 17551 17325 152, 17656 17568 17568 17575 467, 17469 17528 17528 17549 17443 17443
Kaplan, Arthur G. 17373, 17401, 174 17489, 17578, 17587, 17590, 17593, 17602, 17641, 176 Karpf, Charles 177 Kohn, Aaron M 17217, 177 Lazewski, Eugene Marcello, Carlos Marcello, Vincent May, Walter R 17298, 177 Nemesh, Joseph Norman, Robert Petz, Mrs. Eleanor Priziola, John M 17452, 174 Richardson, Gus Richardson, Gus Richardson, Walter Salinger, Pierre E. G 17250, 175 Searamuzzino, Tony Scholle, Auguste Seedman, George Sheridan Walter J	17509 57, 17476 519, 17676 397, 17402 233, 17251 17551 17325 152, 17656 17568 17568 17528 17528 17528 17528 17549 17549 17443 17343
Kaplan, Arthur G. 17373, 17401, 174 17489, 17578, 17587, 17590, 17593, 17602, 17641, 176 Karpf, Charles 177 Kohn, Aaron M 17217, 177 Lazewski, Eugene Marcello, Carlos Marcello, Vincent May, Walter R 17298, 177 Nemesh, Joseph Norman, Robert Petz, Mrs. Eleanor Priziola, John M 17452, 174 Richardson, Gus Richardson, Gus Richardson, Walter Salinger, Pierre E. G 17250, 175 Searamuzzino, Tony Scholle, Auguste Seedman, George Sheridan Walter J	17509 57, 17476 519, 17676 397, 17402 233, 17251 17551 17325 152, 17656 17568 17568 17528 17528 17528 17528 17549 17549 17443 17343
Kaplan, Arthur G	
Kaplan, Arthur G	
Kaplan, Arthur G. 17373, 17401, 174 17489, 17578, 17587, 17590, 17593, 17602, 17641, 176 Karpf, Charles 177 Kohn, Aaron M. 17217, 177 Lazewski, Eugene Marcello, Carlos Marcello, Vincent May, Walter R. 17298, 177 Nemesh, Joseph Norman, Robert Petz, Mrs. Eleanor Priziola, John M. 17452, 174 Richardson, Gus Richardson, Gus Richardson, Walter Salinger, Pierre E. G. 17250, 175 Searamuzzino, Tony Scholle, Auguste Seedman, George Sheridan, Walter J. Siragusa, Charles 174 Sherry, Hal Sica, Fred Taran, Sam	
Kaplan, Arthur G. 17373, 17401, 174 17489, 17578, 17587, 17590, 17593, 17602, 17641, 176 Karpf, Charles 177 Kohn, Aaron M 17217, 177 Lazewski, Eugene Marcello, Carlos Marcello, Vincent May, Walter R 17298, 177 Nemesh, Joseph Norman, Robert Petz, Mrs. Eleanor Priziola, John M 17452, 174 Richardson, Gus Richardson, Gus Richardson, Walter Salinger, Pierre E. G 17250, 175 Scaramuzzino, Tony Scholle, Auguste Seedman, George Sheridan, Walter J. Siragusa, Charles 174 Sherry, Hal Sica, Fred Taran, Sam Tocco, Samuel J 175	17509 57, 17476 519, 17676 397, 17402 233, 17251 17257 17325 152, 17656 17351 17675 467, 17469 17528 17528 17528 17549
Kaplan, Arthur G. 17373, 17401, 174 17489, 17578, 17587, 17590, 17593, 17602, 17641, 176 Karpf, Charles 177 Kohn, Aaron M 17217, 177 Lazewski, Eugene Marcello, Carlos Marcello, Vincent May, Walter R 17298, 177 Nemesh, Joseph Norman, Robert Petz, Mrs. Eleanor Priziola, John M 17452, 174 Richardson, Gus Richardson, Gus Richardson, Walter Salinger, Pierre E. G 17250, 175 Scaramuzzino, Tony Scholle, Auguste Seedman, George Sheridan, Walter J. Siragusa, Charles 174 Sherry, Hal Sica, Fred Taran, Sam Tocco, Samuel J 175	17509 57, 17476 519, 17676 397, 17402 233, 17251 17257 17325 152, 17656 17351 17675 467, 17469 17528 17528 17528 17549
Kaplan, Arthur G. 17373, 17401, 174 17489, 17578, 17587, 17590, 17593, 17602, 17641, 176 176 Karpf, Charles 17 Kohn, Aaron M. 17217, 172 Lazewski, Eugene 17217, 172 Marcello, Carlos 17217, 173 Marcello, Vincent 17298, 173 Nemesh, Joseph 17298, 173 Norman, Robert 17298, 173 Petz, Mrs. Eleanor 17452, 174 Richardson, Gus 17452, 174 Richardson, Walter 17250, 175 Scaramuzzino, Tony 17250, 175 Scholle, Auguste 174 Seedman, George 174 Sheridan, Walter J 174 Siragusa, Charles 174 Sherry, Hal 175 Sica, Fred 175 Taran, Sam 175 Tocco, Sanuel J 175 Vaughn, Thomas A 17282, 172 Watts, Cecil 175	17509 57, 17476 5897, 17676 3897, 17402 233, 17251 17325 152, 17656 17351 17675 167, 17688 17351 17675 167, 17689 17549 17549 17443 17313 17468 17320 17365 17369 17369 17369 17369 17369 17379 1749 17598 17499 17599 17369
Kaplan, Arthur G. 17373, 17401, 174 17489, 17578, 17587, 17590, 17593, 17602, 17641, 176 Karpf, Charles 177 Kohn, Aaron M. 17217, 177 Lazewski, Eugene Marcello, Carlos Marcello, Vincent May, Walter R. 17298, 177 Nemesh, Joseph Norman, Robert Petz, Mrs. Eleanor Priziola, John M. 17452, 174 Richardson, Gus Richardson, Gus Richardson, Walter Salinger, Pierre E. G. 17250, 175 Searamuzzino, Tony Scholle, Auguste Seedman, George Sheridan, Walter J. Siragusa, Charles 174 Sherry, Hal Sica, Fred Taran, Sam	17509 57, 17476 5897, 17676 3897, 17402 233, 17251 17325 152, 17656 17351 17675 167, 17688 17351 17675 167, 17689 17549 17549 17443 17313 17468 17320 17365 17369 17369 17369 17369 17369 17379 1749 17598 17499 17599 17369

IV CONTENTS

EXHIBITS

	134811171117	Introduced on page	Appears on page
64.	List of individuals of interest—California area		(*)
	Check dated December 11, 1957, payable to Michael		
	Cohen in the amount of \$1,850, signed by T. A Vaughn, special agent.	17297	17681
65A.	Check dated December 11, 1957, payable to Michael	11201	17051
	Cohen in the amount of \$1.150, signed by T. A.		
0.0	Vaughn, special agent————————————————————————————————————	17297	17682
90.	George M. Seedman in the amount of \$5,000 drawn by		
	Rowe Service Co., Inc.	17316	17683
67.	Check No. 5526, dated December 24, 1957, payable to		
	George M. Seedman in the amount of \$3,000 drawn by	17917	17001
67 A	Rowe Service Co., Inc. Check dated December 24, 1957, payable to Thomas A.	17317	17684
OIA.	Vaughn in the amount of \$3,000, signed by George M.		
	Seedman	17317	17685
68.	List of individuals of interest—Miami area Letter dated April 19, 1955, addressed to Mr. J. W.	17336	(* <i>)</i>
	 Haddock AMI Inc. signed by R. J. Norman general 		
	manager, Southern Music Dist. Co- Letter dated April 27, 1955, addressed to Mr. J. W.	17357	(*)
69B.	Letter dated April 27, 1955, addressed to Mr. J. W.		
	Haddock, AMI, Inc., signed by K. J. Norman, general		(*)
69C	manager, Southern Music Dist. Co	11001	()
000.	Haddock, AMI, Inc., signed by R. J. Norman, general		
	manager, Southern Music Dist. Co	17357	(*)
70.	Letter dated September 14, 1956, addressed to Mr. Frank Bonadio, secretary-treasurer, Building and Con-		
	struction Trades Department, AFL-CIO, signed by		
	Dennis Murphy, secretary-treasurer, Miami Building		4.60
70 A	& Construction Trades Council	17388	(*)
70A.	Letter dated April 18, 1956, addressed to Mr. Frank Bonadio, secretary-treasurer Building and Construc-		
	tion Trades Department, from Dennis Murphy,		
	tion Trades Department, from Dennis Murphy, secretary-treasurer, Miami Building & Construction	15000	. 41
7.1	Trades Council Letter dated March 18, 1958, addressed to James R.	17388	(*)
11.	Hoffa, General President, International Brotherhood		
	of Teamsters Chauffeurs Warehousemen & Helpers	;	
m.o.	of America, signed by Dave Frechette, local 290 Letter dated April 24, 1958, addressed to Mr. James	17389	(*)
72.	Hoffa, Washington, D.C., signed by Ben Cohen	17395	17686
72A.	Check No. 22853 dated May 15, 1958, payable to Ber	l .	1,000
	Cohen in the amount of \$10,000, drawn by Inter-	-	
	national Brotherhood of Teamsters, Chauffeurs Warehousemen & Helpers	17395	17687
72B.	Check No. 22648 dated April 30, 1958, payable to	. 11000	11001
	Teamsters Local Union No. 290 in the amount of		
	\$5,000, drawn by International Brotherhood of	17395	17688
73	Teamsters, Chauffeurs, Warehousemen & Helpers- Letter dated March 21, 1955, addressed to Mr. Meyer		17000
10.	Greenfield, president, local 598, Miami, Fla., fron	l	
	Sal B. Hoffmann, International President, Up	•	(*\
794	holsterers International Union of North AmericaLetter dated March 21, 1955, addressed to Dan Sullivan	17401	(*)
10A.	Miami Crime Commission, Miami, Fla., from Sal B	,	
	Hoffmann, International President, Upholsterers	3	47.000
791)	International Union of North America	17401	17689
70D.	Card, Miscellaneous Workers of America, UTWA-AI of L., Charles Karpf, organizer, 2841 NW. Second	1	
	Avenue, Miami 37, Fla	17402	17690
73C.	Avenue, Miami 37, Fla Letter dated May 11, 1955, addressed to Miss Mathien	,	
	Electricians Union No. 349, Miami, Fla., from R. A Gray, Secretary of State, State of Florida	17403	17691
*350	y be found in the files of the select committee.		
- DIR	y be round in the mes of the screet committee.		

CONTENTS

		Introduced on page	Appears on page
	Report from Dr. Fabian L. Rouke re-statement made by Mr. Neil Holland	17434	(*)
75.	Letter dated January 19, 1950, addressed to August Scholle, president, Michigan CIO Council, from		
	Richard Gosser, vice president, International UAW-CIO	17118	17692
	Articles of incorporation of Bilvin Distributing Co List of principals of interest, Detroit-St. Louis narcotic	17452	
• • • •	operation	17456	(*)
78.	operation		
	Letter dated August 5, 1947, addressed to Michigan Automatic Phonograph Owners Association, Detroit,	17-162	(*)
	Mich., from E. Jay Bullock, managing director, Southern California Automatic Music Operators Asso- ciation	17479	17693
79B.	Letter dated August 6, 1947, addressed to Mr. E. Jay Bullock, managing director, Southern California Auto- matic Music Operators Association from Morris A. Goldman, president, Michigan Automatic Phonograph		
80	Owners Association Subpoena No. L-6954, served on Mr. Ed Jason, Woodner	17179	17694
00.	Hotel, to produce certain records	17482	(*)
81.	Official order blank of International Brotherhood of Teamsters for James Langley, Secretary-Treasurer	11.102	()
01.4	local No. 985, one charter and seal and stamp	17489	(*)
01D	Letter dated June 3, 1957, addressed to James R. Hoffa from John English	17490	(*:)
81B.	from John English Memorandum to John F. English, general secretary- treasurer, from Norman C. Murrin	17490	(*)
81C.	Application for certificate of affiliation with the Inter-		
	national Brotherhood of Teamsters, listing names of applicants	17490	(*)
82.	Report dated March 14, 1959, listing number of days worked and amount of deductions	17540	(*)
83.	Memorandum of a meeting made by William Genematas,		,
83A.	dated August 6, 1954 Contract between Marathon Linen Service, Inc., and	17583	17695
84.	Kinsel Drug Co. Memorandum dated August 19, 1954, written by William	17584	(*)
	A. Genematas, re Kinsel Drug and Michigan Linen Supply Board of Trade	17584	(*)
85A.	Memorandum dated September 3, 1954, addressed to Joseph Maiullo, re Kinsel Drug Co., from William N.		
	Genematas, Marathon Linen Service	1758+	$\underset{*}{\not =} 17696$
85B.	Letter dated September 7, 1954, addvesed to James R. Hoffa, re Marathon Linen Service, Inc. and Kinsel	127	N2 "-
0.50	Drug Co., from Joseph A. Maiullo	17584	17697
	Letter dated September 17, 1954, addressed to Marathon Linen Service, Inc., from Kinsel Drug Co	17584	17698
85D.	Letter dated September 22, 1954, addressed to James R. Hoffa, re Marathon Linen Service, Inc., Kinsel Drug Co., from Joseph A. Maiullo	17585	17699
86.	Letter dated December 28, 1954 addressed to Mr. James R. Hoffa from N. W. Genematas, president, Mara-		
87.	thon Linen Service Letter with attachments, dated April 7, 1959, addressed to U.S. Senate Select Committee on Improper Activ-	17586	(*)
87 A	ities in the Labor or Management Field, signed by William E. Bufalino, Teamster Local 985	17608	(*)
0111.	Select Committee on Improper Activities in the Labor or Management Field, signed by William E. Bufalino.	17608	(*)

*May be found in the files of the select committee.

	Introduced on page	Appears on page
87B. Letter dated April 10, 1959, addressed to Senator John L. McClellan, signed by William E. Bufalino	. 17608	(*)
Select Committee on Improper Activities in the Labo or Management Field, signed by William E. Bufalino	r 17610	(*)
88. Letter dated April 16, 1958, addressed to the Billboard Chicago, Ill., from William E. Bufalino	17619	(*)
89. Testimony of William E. Bufalino before the Murphy grand jury, as printed in hearings of the Kefauve	r 17626	(*)
90. Check No. 2328, dated July 19, 1957, payable to William E. Bufalino in the amount of \$160 drawn by Service Drivers and Helpers Union Local 985, signed by Wil	9	
liam E. Rufalino	-17639	17700
91. Employer's Quarterly Federal Tax Returns of loca union 985, dated December 31, 1950; April 30, 1951 and July 31, 1951	; 17649	(*)
92. Ledger sheets from Michigan Hospital Service-Michigan Medical Service in account with Meltone Music Co.)	()
Detroit, Mich	, e 17657	(*)
attached to dues deduction report, and blank appli eation and dues deduction authorization form 94 International Brotherhood of Teamsters, Chauffeurs	17666	(*)
Warehousemen & Helpers day book, local 985, January 1 to July 31, 1957	17667	(*)
95. Minutes of membership meeting of Teamsters Local 985 dated April 25, 1956	17671	(*)
September 26, 1955	17676	(*)
Proceedings of— March 23, 1959	17215	
March 24, 1959	$_{-}$ 17257	
March 25, 1959	_ 17335	
April 7, 1959	_ 17405	
April 8, 1959	_ 17451	
April 9, 1959	_ 17513	
April 10, 1959	_ 17515	
April 14, 1959	_ 17595	
April 15, 1959	_ 17643	

^{*}May be found in the files of the select committee.

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

MONDAY, MARCH 23, 1959

U.S. SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR AND MANAGEMENT FIELD,
Washington, D.C.

The select committee met at 2:20 p.m., pursuant to Senate Resolution 44, agreed to February 2, 1959, in the caucus room of the Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Frank Church, Democrat, Idaho; Senator Carl T. Curtis, Re-

publican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Walter R. May, assistant counsel; John P. Constandy, assistant counsel; Pierre E. G. Salinger, investigator; Ruth Y. Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at the convening of the session were Senators McClellan and Curtis.)

The CHAIRMAN. The Chair will make a brief opening statement since we are beginning a new phase, or rather chapter, in this coin-

machine investigation that we have been conducting.

The committee looks today to a study of the coin-operated machine industry in the New Orleans area, and particularly with reference to operations in Jefferson Parish, Louisiana, which has long been notorious for the continuing operation of gambling despite the ille-

gality of these enterprises.

In previous hearings on the coin-operated machine business the committee has developed testimony on varying patterns of labor and management control of this industry. We have found areas where the coin-machine industry was dominated solely by the labor unions. We have found areas where labor unions, in collusion with management associations, controlled the business. We have found areas where racketeers control the industry by association with labor unions or management or both.

The Louisiana picture presents still another type of control of this industry. Certain key racket figures have achieved a degree of domination over the coin-operated machine business where they are able, singlehandedly, to enforce their control over locations through threats, coercion, and in some cases through alliances with corrupt

public officials, as we expect the evidence to show.

17215

Two attempts have been made to organize the coin-operated machine business in New Orleans, one by the International Brotherhood of Electrical Workers, and another by the International Brotherhood of Teamsters. Interviews with union officials involved in these drives have indicated that, while in most areas of the country the employers have found it necessary to do business with labor unions in order to effect the type of control needed in this industry, in the New Orleans area these employers have actively fought unionization. The reason for this, according to these union officials, is the long-entrenched pattern of control over the industry already established by the companies in the business.

The committee does not intend, nor does it wish, to convey the impression that all coin-operated companies in the Jefferson Parish area are controlled by racketeers. I may say, parenthetically, neither does the committee intend to convey that impression with respect to coin-operated machines throughout the country. They are certainly not all controlled by syndicates or by racketeers, but in some of these instances, certainly where we are investigating, we find that they are.

The racketeers who are active in jukeboxes, and pinball and gambling machines in the Jefferson Parish area, however, seem to be as powerful as any in this country, and their influence over this industry, as well as over certain other legitimate enterprises in the community, is of tremendous magnitude, as we expect the evidence will

show.

All right, Mr. Kennedy, call the first witness.

Mr. Kennedy. Mr. Chairman, the first witness will be Mr. Aaron Kohn. But prior to the time that he begins his testimony, we have worked up an index of individuals whose names will come up during the course of the hearings, which I present to you and which might be helpful if it is placed in the record. It gives a description of some of the people that will be named during the course of the afternoon and tomorrow.

The CHAIRMAN. This is just for information. This may be inserted just for information. It will not be accepted as evidence but only for information, and as names are given in the course of the testimony, by reference to this it may help to identify who the persons are who are being referred to in the sworn testimony.

(The list referred to follows:)

INDIVIDUALS OF INTEREST-NEW ORLEANS AREA

Allen, Edward M., also known as "Red": Former member of St. Louis "Cuckoo Clan"; gambler. (New Orleans.)

Arnoult, James: Chief civil deputy, Jefferson Parish.

Badalamatri, Louis: Brother-in-law of Carlos Marcello; public official.

Bagneris, Louis E., "Buster": Key figure in lottery and handbook gambling, St. Bernard Parish, La.

Beverly Country Club, Jefferson Parish, former Costello-Lansky-Kastel gambling easino.

Civello, Joseph, Dallas, Tex.: Participant in Apalachin, N.Y., mobster meeting. Coci, Malcolm "Red": Chief criminal deputy, Jefferson Parish.

Coci, William S.: Sheriff of Jefferson Parish, La.

Cohen, Dan, New Orleans: Former owner of eigarette, music, and pinball machine companies.

Costello, Frank, New York: Nationally notorious racketeer.

Corinne Club, St. Bernard Parish, La.: Operated by Will Guillot.

Culotta, James J., Jefferson Parish, La.: Business associate of Carlos Marcello; member of planning and zoning commission, Jefferson Parish.

Dargis, Aloysius A., Jr., Jefferson Parish: Jukebox operator. Dixie Coin Machine Co., New Orleans: Formerly area distributor for Mills slot machines, of which Marcello is a partner.

Fredo, Authony, also known as Tony Logan, Jefferson Parish: Officer in Bev-

erly Club.

Geigerman, William B., also known as "Bonny": Related to Frank Costello; boxing promoter.

Gillen, Pat: Bar owner, Jefferson Parish, La.

Guillot, Willard F., St. Bernard Parish: Guillot Amusement Company.

Huey Distributing Co., Jefferson Parish: Run by Vincent Marcello, with Carlos as part owner.

Huffine, Albert C., Jefferson Parish: Associate in coin-machine operations with Marcello.

Jefferson Music Co., Gretna, La.: Owned by Vincent and Carlos Marcello; jukes, pinballs, slots.

Marcello, Anthony, Metairie, La.: Brother of Carlos.

Marcello, Carlos, Metairie, La.: Notorious rackets boss in Louisiana, who has been fighting deportation since 1952.

Marcello, Joseph, Metairie, La.: Brother of Carlos.

Marcello, Pasquale J., Harvey, La.: Brother of Carlos. Marcello, Peter, Jefferson Parish: Brother of Carlos.

Marcello, Salvadore, also known as Sam, Jefferson Parish: Brother of Carlos.

Marcello, Vincent, Jefferson Parish: Brother of Carlos.

Muller, Henry, New Orleans: Muller Restaurant Supply Company, associate of Carlos Marcello.

Nastasi Distributing Co., New Orleans.

New Southport Club: Former gambling casino in Jefferson Parish.

Nota Printing Co., Jefferson Parish: Headquarters for Louisiana wire service.

Occhipinti, Roy, and Frank, Jefferson Parish.

Pecora, Nofio J., New Orleans: Narcotics ex-convict. Pecoraro, Joe, Jefferson Parish: Major gambling figure.

Perez, Horace (deceased), Jefferson Parish.

Poretto, Joseph A., Jefferson Parish: Manager of wire service for Marcello mob.

Richardson, Walter: Bar owner, Jefferson Parish, La. Southern Coin Machine Exchange, Jefferson Parish.

Spataro, Joe, also known as "Spow-Wow," Shreveport, La.

Town & Country Motel, Bossier City, La. Vac-Key Amusement Co., Jefferson Parish.

Vuci, Frank L., Port Allen and Baton Rouge, La.

Mr. Kennedy. All of the names of individuals there are not going to be named in a derogatory fashion, but it gives a little bit of background and gives the name of some of those people whose names will arise during the course of the hearing.

The CHAIRMAN. All right.

Mr. Kennedy. Mr. Aaron Kohn.

The CHAIRMAN. Will you be sworn, please?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Koun, I do.

TESTIMONY OF AARON M. KOHN

The Chairman. Mr. Kohn, state your name, your place of residence, and your business, occupation, or employment, please.

Mr. Kohn. Aaron M. Kohn, of New Orleans, La., managing director of the Metropolitan Crime Commission of New Orleans, Inc.

The Chairman. Is that commission created by law?

Mr. Kohn. No, sir: it is a civic agency consisting of business, professional, and clerical leaders of the community who have joined together as citizens to fight organized crime.

The CHAIRMAN. It is a voluntary association that has been incorporated, dedicated to the purpose of fighting crime and trying to

preserve law and order, I assume; is that right?

Mr. Kohn. That is correct.

The Chairman. When was this organization established?

Mr. Kohn. It was incorporated in 1952, and it became active on the 1st of May of 1954.

The CHAIRMAN. Have you been its director or manager since that

time?

Mr. Kohn. I have; yes, sir.

The CHAIRMAN. All right. You waive counsel, of course?

Mr. Konn. Yes, sir.

The Chairman. All right, Mr. Kennedy, proceed.

Mr. Kennedy. Mr. Kohn, you spell your name K-o-h-n; is that correct?

Mr. Kohn. Yes, sir.

Mr. Kennedy, A-a-r-o-n?

Mr. Kohn. Yes, sir.

Mr. Kennedy. You were with the Federal Bureau of Investigation?

Mr. Kohn. For 9 years.

Mr. Kennedy. During what period of time?

Mr. Kоны. From 1930 to 1939.

Mr. Kennedy. What did you do after that?

Mr. Kohn. I was the acting chief counsel and chief investigator for the Emergency Crime Committee of the Chicago City Council.

Mr. Kennedy. When was that? Mr. Kohn. That was in 1952. Mr. Kennedy. And after that?

Mr. Kohn. In New Orleans, I was first the executive director and chief investigator for the Special Citizens Investigating Committee of the New Orleans Commission Council. That was in 1953 and 1954, just prior to occupying my present position.

Mr. Kennedy. Then you became managing director of the Metro-

politan Crime Commission; is that right?

Mr. Konn. Yes, sir.

Mr. Kennedy. Now, Mr. Kohn, you have a statement in connection with the growth of organized crime in the Louisiana area, that you have prepared to give to the committee?

Mr. Kohn. Yes, sir; I have.

Mr. Kennedy. It is just a short statement, Mr. Chairman, and he probably won't want to read it all, but he does have some information. We have had representatives from law-enforcement bodies throughout the country that have come before the committee and given the situation in their particular area, and as a prelude to Mr. Kohn's testimony, I would like to have him give this little bit of background.

The Chairman. Do you prefer to read your entire statement?

Mr. Kohn. No, sir; there is a brief section of it that perhaps you may want in specific form.

The Chairman. If it is brief, I would have it all printed in the record. You can just touch on the highlights of it, but if it is brief, just go ahead and read all of it.

Mr. Kohn. The New Orleans area, as part of south Louisiana, has frequently been referred to in connection with the Mafia in the United States. The word "Mafia" has become a convenient, habitual and descriptive means of communicating the scope and viciousness of criminal groups in the Marcello mob category. If it is the only fitting word for that purpose, perhaps usage will lend it meaning and adapt it to change.

Mr. Kennedy. Whom do you refer to there by Marcello?

Mr. Koun. The Marcello mob is a term which we apply to the group of persons who are active under the leadership of Carlos Marcello.

The Chairman. Where are they located?

Mr. Kohn. They center their activities largely in Jefferson Parish, La., but range much beyond its borders throughout south Louisiana, and elsewhere.

The Chairman. They practically operate out of Jefferson Parish, that is what you are saying. That is their general headquarters?

Mr. Kohn. Yes, sir.

Mr. Kennedy. But it extends even beyond the borders of Louisiana; does it not?

Mr. Kohn. We find their fingers in Texas, and in Mississippi, Alabama, and, of course, their contacts with fellow mobsters around.

The Chairman. Do they reach up in Arkansas anywhere? We are pretty close.

Mr. Kohn. Hot Springs, Ark., is rather a popular gathering place

for them, with their friends.

The CHAIRMAN. Thank you. I didn't want to slight my own State, if it needs any attention.

Mr. Kennedy. And also up into Missouri; isn't that right?

Mr. Kohn. Yes, sir; in the St. Louis area. Mr. Kennedy. Will you continue?

Mr. Kohn. To describe organized crime in our Nation at this time as "Mafia" is to mislead by understatement of the facts. Reported originally to have been organized in Sicily to extort money from wealthy landowners for redistribution among the poor, it was inevitable that the leaders of this group became ruthless in their exercise of power. Murder, brutality and terror became nonselective as to victims.

The Mafia was imported into the United States through New Orleans, where "Black Hand" activities probably continued for some time after they had disappeared elsewhere in the Nation, primarily because economic and industrial development came later to New Or-

leans than to most other parts of the country.

The Mafia in south Louisiana was largely a self-contained group of Sicilian aliens and Sicilian-Americans, almost invariably victimizing persons of their own extraction, who by tradition were expected not to bear witness against these evildoers, under threat of death. They were fought by law-enforcement authorities, and they fought back. murdered the New Orleans police chief, Dave Hennessy, in 1890, and there was difficulty in finding someone to replace him.

In the years that followed, police efforts to cope with the Mafia usually were baffled by the code of "silence or murder." Men were hanged then as identifiable Mafia members. In at least one instance the militia was brought in to prevent an attempted release of Mafia killers.

The organized racketeers and gangsters of our time resemble the Mafia to the degree the modern automobile may be likened to the model T Ford. The objective is the same, but the modus operandi is

much more complex, far-reaching, and destructive.

It is true, many key mobsters of our time are of Sicilian birth or extraction, but others derive from elsewhere in Italy, as did Al Capone and Frank Costello. And many are native-born Americans of national origins as varied as the ingredients which blend into America's

melting pot.

The top mobsters of Louisiana maintain contact with and join in common objectives with their counterparts elsewhere. Freely and expensively they move around the country and are visited in turn. For years, unlike their Mafia predecessors, the Marcello mob has found little need to fight against officials charged with exercising police powers. They do not murder police, nor do police kill them. They sometimes enforce their code of control by killing each other, but the law imposes no final penalty.

Unlike the Mafia leaders of yesterday, the Carlos Marcellos of today do not battle the long arm of the law, for they find that they last longer, grow richer, and look more respectable by linking arms with willing officers of the law, and they can reinforce their sense of

power and security—

The CHAIRMAN. By doing what?

Mr. Kohn. By linking arms with officers of the law. And they can reinforce their sense of power and security with their experiences in dealing with otherwise law-abiding citizens who are glad to share in their profitmaking skills.

Mr. Kennedy. You would say in summary, then, the situation today

is far more critical than it has ever been?

Mr. Koun. Yes, Mr. Kennedy; by far.

The CHAIRMAN. Do you mean in your area down there?

Mr. Koun. This would be true in Louisiana, and would also be true from our knowledge of the growth of power in organized crime throughout most sections of the Nation.

Mr. Kennedy. Would you also say that it grows critical year by

year, rather than the situation improving?

Mr. Koun. Yes, sir; I would.

Mr. Kennedy. You speak specifically about Carlos Marcello as being the one who is the leader of the mob or group in the Louisiana area. Would you tell us a little bit about the background of Carlos Marcello?

Mr. Kohn. Yes, sir. Carlos Marcello, as Carlareo Manicir—

Mr. Kennedy. C-a-r-l-a-r-e-o M-a-n-i-c-i-r?

Mr. Kohn. Yes, sir; that is one of the varied spellings of that name. He was born in Tunis, Africa, in 1910. While he was still an infant, less than a year of age, he was brought to the New Orleans area and has resided there almost continuously ever since. Marcello

has never become a citizen of our country, although in his typical disdain for our laws, on at least one occasion he registered to vote.

Mr. Kennedy. He has never become a citizen?

Mr. Kohn. No, sir.

Mr. Kennedy. Has he some other brothers and sisters in the New Orleans area?

Mr. Kohn. He has five brothers and two sisters living in Jefferson Parish, principally, although one lives outside of it.

Mr. Kennedy. Are those brothers active in one or more of his

operations?

Mr. Kohn. Every one of his brothers and one brother-in-law have

been continuously active in the growth of the Marcello mob.

Senator Curtis. You said that he had never bothered to become a citizen. Do you happen to know whether he has ever asserted any protection of the Constitution in court proceedings or otherwise?

Mr. Kohn. In his appearance before the U.S. Senate committee investigating organized crime in interstate commerce, in public hearings in New Orleans in January 1951, he refused to answer more than 140 questions on the ground that he might incriminate himself.

Senator Curtis. In other words, he has asked for the benefits and protections of the Constitution, but he has not availed himself of the

opportunity of assuming some of the responsibilities?

Mr. Kohn. No, sir; he has certainly not accepted the responsibilities

either of a good alien or a good citizen.

Mr. Kennedy. Has he ever been arrested or convicted of any crime? Mr. Kohn. He has quite a lengthy criminal record. When he was 19 years old, which would have been 1929, he and a younger brother, Peter, about whom more will be mentioned later, were charged by police as accessories in connection with a bank robbery in the Algiers section of New Orleans, and the district attorney later dismissed charges against him.

Roughly 6 months later, in May 1930, Carlos was convicted of assault and robbery and sent to the State penitentiary for a period of 9 to 14 years. There was some very interesting testimony in that

trial, perhaps, if it is read into its later history.

During press reports, Marcello was referred to as a "Fagin."

The CHAIRMAN. As a what?

Mr. Kohn. Fagin, F-a-g-i-n, recalling the Dickens story. It appears from the testimony that Marcello and a confederate induced two juveniles, whom they met in a dancehall, to hold up a chain grocery store. Marcello supplied them with a gun, and with the know-how on how to steal a getaway car.

The two youngsters were later apprehended and testified against Marcello in the proceedings. Marcello was paroled after his conviction and imprisonment, in September 1934, after serving less than 5

years of his not less than 9-year sentence.

Then the following year he was pardoned by Gov. O. K. Allen. Mr. Kennedy. Do you know what the basis of the pardon was?

Mr. Kohn. No. sir: I do not. Mr. Kennedy. That was 1935?

Mr. Kohn. That was 1935, in July 1935.

Marcello's pardon came in the same year that Frank Costello and Dandy Phil Kastel made the agreement with the then Senator Huey Long to move their slot-machine operations from New York to New Orleans.

Mr. Kennedy. That is Dandy Phil Kastel?

Mr. Kohn. Yes, sir.

Mr. Kennedy. And then they started an active operation in coin machines, with slot machines, in the New Orleans area; is that right?

Mr. Kohn. Yes, sir; in 1935.

Mr. Kennedy. Did Marcello ultimately move in with them and become a partner?

Mr. Koun. Not long thereafter, Marcello started showing up as a partner in various slot-machine enterprises which were stimulated in the Costello-Kastel syndication in the New Orleans area.

Mr. Kennedy. So shortly after receiving his pardon he became a close associate, a business partner, of Frank Costello and Dandy Phil

Kastel?

Mr. Kohn. That is correct.

During the late 1930's and early 1940's the rise of Marcello was coincident with the expanding gambling interests of the Costello-Kastel

group, and he was a partner in various of their enterprises.

Marcello's pardon in 1935 kept him free for a few years, but within the time he should have been imprisoned, but for executive elemency, he was again in trouble with the law. In January 1935 he was arrested by New Orleans police for assault and robbery and released. In February 1935 he was charged with violation of the U.S. internal revenue laws. The case was later dismissed.

Then Marcello was rounded up by Federal agents as part of what was then called the biggest marihuana ring in New Orleans history. He pleaded guilty on October 29, 1938, to the sale of more than 23 pounds of untaxed marihuana and was sent to Atlanta Penitentiary.

The CHAIRMAN. What year was that?

Mr. Kohn. That was 1938. He was also fined \$76,830, which amount becomes important a little later, which included both the un-

paid marihuana taxes and the penalty.

Marcello was discharged by conditional release on August 18, 1939, from Atlanta, and in little more than a year he ran afoul of U.S. immigration authorities in 1940, and in the same year was again arrested by New Orleans police for having no honest, visible means of support.

Mr. Kennedy. Did he pay the fine of \$76,830 to the Federal Gov-

ernment?

Mr. Kohn. No, sir. He, while in the penitentiary, had an affidavit filed by his wife, pleading poverty, and when Marcello was released,

he and his attorneys arranged to settle the \$76,000 for \$400.

While Marcello was awaiting incarceration, after his narcotics conviction, and was out on a \$3,000 bond, which, incidentally, had been arranged for by his father, Marcello had two near misses with police. In June 1938 he was arrested for supplying marihuana to Clarence Cheramie, of Lafourche Parish. Cheramie had had a previous prison record for narcotics possession and this time was sent to Atlanta for 21 months. The charge against Marcello, however, was dismissed.

Then on September 8, 1938, Marcello and Anthony "Yaga" Mustacchia—Mustacchia was a frequent narcotics violator who had not long been out of Atlanta at the time we refer—they were arrested after a high-speed chase through the New Orleans streets. Mustacchia had been under surveillance by police at the Circle Inn Bar and fled to avoid arrest. He jumped on the running board of Marcello's car and they drove away at terrific speed, escaping police for the time. Mustacchia later was apprehended with a gun in his possession, and then, not long thereafter, Marcello was arrested emerging from a vacant lot where a search developed that a gun had been secreted.

I have been unable to find any record of the disposition of that arrest. Then in January 1948 a news photographer, Larry Schoenberger, snapped photographs of women demonstrating in front of the Gretna Courthouse against then Sheriff Frank "King" Clancy's interference with a political parade.

Mr. Kennedy. That is Gretna!

Mr. Kohn. Yes, sir.

Mr. Kennedy. What is the significance of Gretna?

Mr. Koun. Well, Gretna is what might be called the parish seat, the courthouse for the parish, and the public officials of the parish are centered in Gretna for the entire Jefferson Parish area, which is large

and sprawling.

Then Gretna is the principal headquarters for the Marcello mob operations. Gretna might be likened in relationship to the Marcellos to what Cicero in the past had been to the Capone mob. It was a place to which they could always draw back and be sure that no law-enforcement action would be taken against them.

Mr. Kennedy. Then you spoke about the fact that the women were demonstrating against Sheriff Frank Clancy. That is Frank "King"

Clancy?

Mr. Koun. Yes, sir.

Mr. Kennedy. He appeared before the Kefauver committee or ultimately appeared before them?

Mr. Kohn. Well, sir, he appeared before the Kefauver committee

twice, first to lie and the second time to confess.

Mr. Kennedy. He was a notorious figure in that area?

Mr. Kohn. Yes.

Mr. Kennedy. What happened there?

Mr. Kohn. Well, as this photographer started to drive away after taking his pictures, he was stopped by Carlos Marcello and Marcello's then bodyguard, Salvatore Marcianti. After grabbing and destroying the newsman's camera, they backed him up against the wall and went through his pockets. There were deputy sheriffs standing by watching the proceedings but they didn't interfere. The victim filed charges in Gretna against Marcello and Marcianti for robbery by force, but there is no indication of any prosecutive proceedings and these charges cannot be found in Marcello's official criminal record. As a matter of fact, although Marcello's life of crime has centered in and around Jefferson Parish, it has not been possible to locate any currently available record to indicate his arrests or charges in that parish.

Mr. Kennedy. There is a new sheriff now, is there not, in Jefferson

Parish?

Mr. Kohn. In June 1956, following about 28 years of Sheriff Clancy's administration, a "reform" sheriff took office, whose name is William Coci.

Mr. Kennedy. How do you spell his name?

Mr. Kohn. C-o-c-i.

Mr. Kennedy. Has the situation improved in Jefferson County, in Jefferson Parish, since Sheriff Coci has taken over?

Mr. Kohn. From the viewpoint of the racketeers, yes. However,

in terms of law enforcement it has deteriorated.

The Chairman. Do you mean that is your present sheriff down

Mr. Kohn. Our new sheriff, a young lawyer who took office in 1956, had never, from my knowledge, held any prior public office; has engaged in a very aggressive anti-good government movement, we might call it, since he has taken office.

The CHAIRMAN. Is that this Coci?

Mr. Kohn. Coci.

The CHAIRMAN. We have a television program, have we not, about the Sheriff of Cochise? That is not the same sheriff you are talking about is it?

Mr. Kohn. No, sir.

Senator Curtis. You do not feel that the majority of citizens of the

parish favor lawlessness, do you?

Mr. Kohn. No, sir; I certainly do not. But I do believe that certain traditions of collusion between key law enforcement officers and our racketeers over a long period of time has tended to create an atmosphere in which citizens are fearful of law enforcement officers and, therefore, are very reluctant to openly or vigorously combat the alliances to which I refer.

Senator Curtis. Perhaps sometimes at the polls they do not have

a clear-cut choice.

Mr. Kohn. Too often this is true. I might point out that in the case of their election of Sheriff Coci in 1956, they thought they were getting reform, and they found, however, the reformation was of a totally different kind than they had voted for.

Mr. Kennedy. He ran as a reform sheriff?

Mr. Kohn. Yes, sir; he was a part of a reform movement which was intended to bring in a new and efficient charter which, incidentally, after he took office, he bitterly fought against, and was supposed to replace the old patronage type of sheriff's office with modern police agencies, which he has refused to do, and has fought against movements of others to accomplish.

Mr. Kennedy. He beat King Clancy, did he?

Mr. Kohn. Yes, sir.

Mr. Kennedy. He ran against him?

Mr. Kohn. Yes, sir.

Senator Curris. May I ask another question?

This committee is charged primarily, and I guess solely, with investigating improper activities in the field of labor-management relations. Do you feel there is a connection between this underworld apparatus that you described and some of the problems in labor-management relations that this committee has dealt with?

Mr. Kohn. Well, sir, as was well pointed out by the chairman of the committee, Senator McClellan, the absence of racketeering in labor unions is largely due to the absence of extensive organization of labor

unions in the past.

I might point out that the New Orleans area is new as an industrial center. It was during a depression in the prewar years when other communities were finding industrial growth and getting their economic stability.

So we suddenly in the New Orleans area found ourselves confronted with vast industrial expansion. This was sudden and quick, unlike the industrial development in other areas accompanied by, in

many recent years, the growth of labor union organization.

Our labor union organization has not yet caught up with the concentration of people and industry in the area. One of the things that might logically discourage certain areas of labor union organization would be the fact that certain of the racketeer figures and public officials who are feared by citizens who are also workers might well be discouraged from identifying themselves with anything which would be in conflict with the interests of corrupt officials and the racketeers in their alliances.

This might well be said to be true, for example, in the present area of your inquiry, in the jukebox-pinball area. I am sure that many persons who might otherwise be interested in joining a labor union would think mighty, mighty long before identifying themselves with something which might, just might, displease the Carlos Mar-

cello mob, who have a major interest in that industry.

The Charman. In other words, the situation is kind of reversed here. This is where the management or the ownership, the mob, has complete control, and there is a state of fear existing on the part of the employees?

Mr. Kohn. In collusion with public officials; yes, sir.

Senator Curis. What labor union was involved in the instance you

sроке от :

Mr. Kohn. Well, there have been two very timid attempts, one by the Electrical Workers some years ago, and then by the Teamsters a couple of years ago. They made no real, aggressive effort to continue organization. There has not been, I might point out, violence of any kind or racketeering of any kind in the New Orleans area by Teamsters, differing from what you have found in many other areas.

Senator Curtis. That is all, Mr. Chairman.

Mr. Kennedy. Because of this close tie-in that exists already between management, gangsters and certain public officials, there has been no need to try to bring in, nor attempt to bring in, a corrupt labor union, No. 1, and the honest labor unions have a difficult time moving in because of the fact that there is such control and domination of the area by these groups.

Mr. Kohn. I would say that to be accurate, Mr. Kennedy.

Mr. Kennedy. Now, would you briefly give us the rest of Marcello's background, the difficulties he has had with law enforcement, with the Federal law enforcement? You mentioned that he appeared before the Kefauver committee in 1951, and he resorted to the fifth amendment at that time.

Mr. Kohn. Yes, sir. Of interest to this committee may be the fact that Carlos Marcello's name came up in connection with at least one public bribery matter.

Mr. Kennedy. Public what?

Mr. Kohn. Bribery. This grew into a conviction in January 1955. Actually, there were two convictions of the same man. It was a man named Horace Perez, a notorious gambler.

Mr. Kennedy. Marcello was involved in this?

Mr. Kohn. Yes, sir. There was testimony and wire recordings made by State police which connected Carlos Marcello with the gambling operations of Perez. Perez identified Carlos Marcello to a State police official as his bankroll. That was while——

The CHAIRMAN. His what?

Mr. Kohn. Bankroll. This was while he was negotiating with a major of the State police for protection of certain gambling joints in Jefferson Parish.

In addition, the testimony and evidence indicated that Carlos Marcello had on one occasion driven with Perez to the western part of Louisiana where a prearranged meeting had been made between Perez and this State police major for the purpose of furthering the negotiations to gain protection through the payment of graft.

In connection with that, Perez was convicted both in the New Orleans and Baton Rouge courts. In both cases, however, he was

placed on probation and fined, and was not sent to prison.

Mr. Kennedy. What was his fine?

Mr. Kohn. \$1,000 fine and in one case he was placed on probation for 5 years and he appealed unsuccessfully, and in another case growing out of the same combination of events he paid a fine of \$1,000 and was placed on probation for $2\frac{1}{2}$ years.

Mr. Kennedy. This is for bribing public officials?

Mr. Kohn. Yes, sir.

Mr. Kennedy. This man Perez, with Marcello in the background as his bankroll, and Marcello putting up the money, according to the testimony for the bribery of public officials, in both of those cases he did not receive any jail terms, but just probation, is that right, and a fine?

Mr. Koun. Yes, sir, and not only that, but a year after his second

conviction he was pardoned by Gov. Earl Long.

Another interesting fact was that we had been watching the establishment of a new gambling casino at 996 Jefferson Highway, being equipped with all new equipment and the day after Perez was pardoned he was in the new casino, operating it.

Another interesting aspect was the fact that he and his attorneys applied to both courts after his convictions and the courts returned to him the thousands of dollars placed in evidence by the State police official as having been paid as graft. This money was returned to Perez's attorney.

The CHARMAN. You mean the graft money; they impounded it.

Mr. Kohn. Yes, sir, and then it was returned by the courts.

The CHAIRMAN. After he was convicted?

Mr. Koun. Yes, sir.

The CHAIRMAN. Who finally got the money, the corrupt officer or the man who paid the bribe?

Mr. Kohn. It wasn't a corrupt officer. The Chairman. Who did he bribe?

Mr. Kohn. Maj. Aaron Edgecomb was the State police officer who was approached in connection with this and then he talked to the

superintendent and they made wire recordings of various conversations.

The Charman. It was an attempt to bribe?

Mr. Koux. Yes, sir, and the money paid to Aaron Edgecomb and immediately turned over to the superintendent was then used as evidence.

The Chairman. It was actually bribe money?

Mr. Konn. Yes, sir.

The CHAIRMAN. Although the man to whom it was paid was not taking a bribe, and he was simply letting the man commit his own crime.

Mr. Konn. That is right.

Mr. Kennedy. And then that money was returned to Perez?

Mr. Konn. That is right.

The Charman. What was involved; how much was it? Do you remember?

Mr. Kohn. I don't recall the exact sum, but it was a number of thousands of dollars.

The CHAIRMAN. More than one?

Mr. Kohn. Yes, sir.

Mr. Kennedy. Nothing was ever done to Marcello in connection with that?

Mr. Kohn. There were never any charges made against him in any

way.

Mr. Kennedy. Now, Marcello was cited for contempt for his testimony before the Senate committee in 1951, and he was convicted and that conviction was reversed in a higher court; is that right?

Mr. Kohn. Yes, sir.

Mr. Kennedy. Now, I would like to have you tell the committee a little bit of the background of Mr. Marcello's coin machine businesses. He is active in the coin machine business!

Mr. Kohn. Yes, sir, and he has been for many years; financially he

has been very much involved.

The Charman. As we speak of coin machines now, let us try to some extent at least to differentiate between pinball machines, or gambling devices, and vending machines which sell merchandise and jukebox machines, which take a coin and play a little music.

Is he engaged in all of those?

Mr. Kohn. Until a rather new phenomena occurred in Louisiana, that is the appointment of a vigorous and honest State police superintendent in 1952, Carlos Marcello was one of the key figures in slot machine distribution.

The Chairman. That is the gambling device, the one-armed bandits

we call them.

Mr. Koun. That is right. The Chairman. All right.

Mr. Kohn. Since the State police organization at the time for the first time in modern history proceeded to destroy thousands of slot machines and enforce the laws in connection with them, the number of such gambling devices in the State was substantially reduced.

However, in Jefferson Parish, since Sheriff Coci has been elected to office, there have been numerous instances of slot machines coming back into use, and at least one of the companies in which Marcello is a partner has been one of the operators of these slot machines.

However, the recent history of Marcello's interest in coin devices has been principally in relationship to jukeboxes and pinball machines. One of the companies, the Jefferson Music Co., the largest

operators in Jefferson Parish, is located in Gretna, La.

The gathering of information about this company indicates that prior to January of 1942 the company was in the name of Carlos' mother, Mrs. Louise Marcello, and that about that time, however, she sold the company to another son, Vincent Marcello, who was then a minor, who by court order was given the authority to engage in contracts.

At that point the size of the company is somewhat indicated by the fact that Vincent paid \$7,000 and reportedly took over the entire business which then included 49 slot machines and 50 music boxes, 62 pin games, and other equipment spotted in about 84 locations, mostly in the Algiers section of New Orleans.

Then in 1944, it appears from records that Vincent and Carlos formed a partnership in the Jefferson Music Co., which has continued

to be the key management figure.

However, Carlos over the years has used this place for his head-marters.

Mr. Kennedy. Of course Carlos is the one we are principally in-

terested in.

Mr. Kohn. I meant Carlos continued to use Jefferson Music as his headquarters although Vincent is the major management figure there.

In addition, other members of the Marcello family, other brothers, particularly Sam and Anthony, have drawn income and have worked for the Jefferson Music Co. It may be of interest that another brother, Pasqual Marcello has had registered Federal faming device stamps at the address of the Jefferson Music Co. In recent years, Carlos has been given to identifying himself as being in the real estate and hotel business.

For public consumption, he and his brothers protest that Carlos has no interest in the Jefferson Music Co., or in the illegal horserace wire

service or in any of the other Marcello mob rackets.

One example of the recent extent of this attempt to conceal Carlos' participation——

Mr. Kennedy. And also to expand their own operations?

Mr. Kohn. And to expand their ability to operate—might be found in an action taken by the metropolitan crime commission last September. At that time we learned that the Federal Communications Commission had granted a citizen's radio license to the Jefferson Music Co. operating under the name of Vincent Marcello. This license was issued for a period from December 11, 1957, to December 11, 1962.

The crime commission contacted Federal Communications Commission and pointed out that the same people involved in the ownership of this Jefferson Music Co., which now had a radio station and a license to operate it were also operating a horserace wire service, supplying to illegal handbooks all through Louisiana and elsewhere nearby, the results that were needed to operate evil, unlawful handbook gambling.

Now, we have never to this date been advised of the result of the FCC investigation into the matter and we are still awaiting to hear

about it.

However, when this was made public, Vincent Marcello protested the identification of Carlos Marcello with the Jefferson Music Co., and pointed out that Carlos had nothing to do with the radio station.

(Members of the select committee present at this point in the pro-

ceedings were Senators McClellan and Curtis.)

Mr. Kennedy. Did the FCC ever explain to you why they would

grant a license to such a notorious group of people?

Mr. Kohn. Well, one of their representatives called at our office and explained that there were no specific regulations which would prevent the issuing of such a license to the Jefferson Music Co.; that unless it could be proven that the radio itself were being used for illicit purposes no action could be taken. They did, however, advise that any official of a corporation or organization, who was an alien, would make unqualified such an organization for this permit. Marcello is an alien.

Mr. Kennedy. But also, as you point out, this radio is a perfect setup for distributing all information regarding gambling activities,

which they control in that area.

Mr. Kohn. The fact that this group would stop at nothing in order to further their illicit enterprises can be found in the recent discovery of an illicit 15-mile telephone installation in Jefferson Parish, emanating from the Nola Printing Co., which is the wire service head-quarters. Here were these telephone lines installed running on the equipment of the telephone company and the telegraph company, dropping off at layoff points, these layoff points being very busy spots which receive handbook bets, and which relay horserace information.

Mr. Kennedy. What company was this?

Mr. Kohn. Nola Printing Co.

Mr. Kennedy. What connection does the Nola Printing Co. have with Marcello?

Mr. Kohn. Well, sir, there is a rather long history of the evolution of the wire service which I am sure you wouldn't want to take this committee's time to go into. But I would like to point out that Carlos Marcello has figured in the wire service ownership ever since about 1946 when there was a muscling-out process of a long-time wire service group operated under the name of the Fogerty Service.

Senator Curtis. Has this radio station ever been constructed?

Mr. Kohn. Well, sir, it is not a station. The license is for the use of portable radio sending and receiving stations, such as are used in motor vehicles.

Senator Curtis. Are they using it?

Mr. Kohn. Yes, sir. They are being used in connection with the servicing—this is at least the reason they give for the use of the license—used for the servicing of coin devices operated by the Jefferson Music Co. That is, to send messages back and forth to the serviceman in the area.

Senator Curtis. But it is operating?

Mr. Kohn. Yes, sir.

Senator Curris. Is it the type of operation that others can pick up, the public generally, the broadcasts?

Mr. Kohn. No, it would not be on the normal broadcast channels. Senator Curris. Is it a closed-circuit telephonic arrangement?

Mr. Kohn. Yes. Of course, it could be monitored by someone going in on the same wavelength.

Senator Curtis. Is the owner of the license a corporation or a part-

nership?

Mr. Kohn. The license was taken by Vincent Marcello doing business as the Jefferson Music Co.

Senator Curts. Is Vincent Marcello a citizen?

Mr. Kohn. Yes, sir, he was born in this country. However, his partner, Carlos Marcello, whose name did not enter, to my knowledge, certainly does not appear on the license, and probably did not enter into the application for this radio license, is an alien, and has quite a lengthy criminal record.

Senator Curtis. When was this matter laid before the Federal Com-

munications Commission?

Mr. Kohn. The crime commission wrote to the FCC in September of last year.

Senator Kohn, Did you get an acknowledgment of it?

Mr. Kohn. Sir?

Senator Curtis. Did you get an acknowledgment of your letter? Mr. Kohn. Received an acknowledgment and had a call from one of their representatives to whom we gave all the facts in our possession.

Senator Curtis. What is your understanding of the status of it?

Mr. Kohn. I don't know the present status. I haven't checked recently to learn their decision or the status of action they are taking.

Senator Curris. At the time you wrote, had the broadcasting apparatus already been activated?

Mr. Kohn. It had been in use for quite a long time.

Senator Curtis. So it probably is a matter of revocation rather than denial of the license.

Mr. Kohn. Yes, sir.

Mr. Kennedy. Was it your understanding that this was taken out by Vincent Marcello? That is, this radio station was to be owned by him?

Mr. Kohn. The license was issued to Vincent Marcello as an in-

dividual doing business as the Jefferson Music Co.

Mr. Kennedy. I wanted to make sure that was understood. Doing business as the Jefferson Music Co. The Jefferson Music Co. is owned by Vincent Marcello and Carlos Marcello?

Mr. Koun. As equal partners.

Mr. Kennedy. So Carlos Marcello, who is not even a citizen of the United States, who has this extensive criminal background, is one of the owners of this radio station?

Mr. Kohn. That is correct.

Mr. Kennedy. Mr. Chairman, we have one of the reports from the Federal Communications Commission in connection with this company. I would like to call a member of the staff to put it in, briefly.

The CHARMAN. Come forward, please.

Be sworn.

Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Constandy, I do.

TESTIMONY OF JOHN P. CONSTANDY

The Chairman. State your name, your place of residence, and your present employment.

Mr. Constandy. My name is John Constandy. I reside in New

York City. I am assistant counsel for the committee.

The CHARMAN. All right.

Mr. Constandy. The FCC was in receipt of information which raised the question of whether the Jefferson Music Co. was not owned solely by Vincent Marcello as he stated in his application for a radio station license and whether the station was being used in accordance with rules governing its use.

Therefore, on November 3, 1958, a letter was sent by the FCC to Vincent Marcello asking him to state whether he was the sole owner of Jefferson Music Co., and to specify the interest, compensation, and

duties of Carlos Marcello in the company.

Mr. Vincent Marcello responded on December 2, 1958, by a sworn statement on the letterhead of the Jefferson Music Co., and his statement is to this effect: The Jefferson Music Co. is now and always has been a partnership between myself and my brother Carlos Marcello.

As a result of this information that was received by the Federal Communications Commission, they instructed their office in New Orleans to monitor transmissions of this equipment.

The CHAIRMAN. To do what?

Mr. Constandy. To monitor the equipment, the transmission of messages by this equipment, which, incidentally, was licensed for 13 units, of which 7 were presently in operation, one being the base station at their home office and the other being portable units contained within vehicles.

It is interesting to know, too, that the equipment was to be used in the servicing of some 780 jukebox machines that are operated by Jefferson Music, and 270 other type coin machines that are operated

by Jefferson Music.

The Chairman. Do I understand that the Federal Communications Commission now is granting permits to operate radio broadcasting for jukebox machines and such?

Mr. Constandy. The purpose of this type of equipment, Senator,

is to enable——

The Chairman. I know, it is a two-way system where you can talk, back and forth.

Mr. Constandy. Similar to that of taxicabs.

The Chairman. It seems to me like the frequencies in this country can be used for a better purpose than for carrying on this sort of business. I am wondering if the Federal Communications Commission was actually apprised of the nature of this business, and the kind of business that this permit is going to serve at the time it granted them?

Mr. Constandy. I believe the correspondence we have, Senator, is that they were aware that the Jefferson Music Co. was engaged in a route-type business, and the equipment would be used to dispatch mechanics and servicemen to the locations to provide service for their

machines.

I further believe from the correspondence that they had no indication that there was any illegal activity in connection with it.

The Chairman. At the time they granted it, they had nothing to indicate any illegal activity?

Mr. Constandy. That is correct. Nor was there any question raised

in regard to the type of machines that were being used.

The CHAIRMAN. All right.

Mr. Kennedy. They monitored the broadcasts then?

Mr. Constandy. Yes; they did. The initial monitoring commenced on the weekend of September 29, which I believe was a Monday, 1958. The report shows that the radio was used practically not at all. There were only three transmissions in the weekend period, including Monday. Subsequently, over a period of some 11 days, I believe, they had nine transmissions.

Mr. Kennedy. How many did they say they expected to have?

Mr. Constandy. As Mr. Vincent Marcello related to them in a sworn statement, the average number of automatic music machines serviced as a result of communications from the station is approximately 630, for jukeboxes, and plus an additional 230 for the other coin machines, so the monthly average use would be 850 calls.

Mr. Kennedy. After this complaint was made by the crime commission to the FCC and the FCC then began monitoring the station,

how many broadcasts were made?

Mr. Constandy. Well, as they term it, they say transmissions intercepted have been few and brief. In fact, they are conspicuous because the licensee is not using the facilities for which he is authorized. They attribute that further to the publicity that was attended to the original complaints.

Mr. Kennedy. Could they understand any of the broadcasts that

were made

Mr. Constandy. The broadcasts at that time were being made by code, which was in keeping largely with a predetermined arrangement to use code letters that held down the amount of time that any particular person utilized the wavelengths.

Mr. Kennedy. Did it fit into the code they furnished?

Mr. Constandy. In some instances it did, yet there were a few occurrences which the engineer monitoring was not able to understand.

Mr. Kennedy. What sort of things?

Mr. Constandy. Well, the one that is given as an example is "Come

in car 6, 228, and 2241/2," also 10 and 45, then "047 clear."

Some of that is understandable in that one of the numbers transmitted would conform to this list, which gives the numerical equivalent for each location, at which the Jefferson Music Co. operates a machine of one description or another.

However, the engineer monitoring this made the statement that perhaps the 228, for which there is no authorized use, according to the code, might conceivably be 1228 Jefferson Highway, which was

the location of a place of business of theirs.

So there is some confusion yet as to what the numbers are, being

used as a code, what they really meant.

Mr. Kennedy. They could not understand the code that was being used on the broadcasts, in some of the broadcasts that were made; is that right?

Mr. Constandy. That is correct.

Mr. Kennedy. A number of these machines that were being serviced at best were operating illegally, were they not, Mr. Kohn?

TESTIMONY OF AARON M. KOHN-Resumed

Mr. Kohn. During the period that the license has been effective, we have found slot machines and horserace machines bearing the labels of the Jefferson Music Co. operating in Jefferson Parish, and assumedly they would have to be serviced by the same man.

Mr. Kennedy. But in addition to that, though, the Jefferson Co.

operates the pinball machines; do they not?

Mr. Kohn. Yes, sir; which are used almost entirely for gambling in our area.

Mr. Kennedy. And isn't gambling illegal?

Mr. Kohn. Yes, sir; it is.

Mr. Kennedy. This radio station granted by the Federal Communications Commission is given in order to service, among others, these pinball machines which are operating illegally?

Mr. Kohn. That is correct.

Mr. Kennedy. So at best that is the situation, and perhaps the station can be used for the other purposes, organized gambling and for disseminating information regarding handbooks and other outright gambling; is that right?

Mr. Kohn. Yes, sir. In addition to that, some of these devices are in gambling casinos, where other types of gambling are engaged in, and their machines become a part of an extensive gambling

operation.

Mr. Kennedy. Couldn't the FCC have found out quickly that this radio station was being used to service at least in part gambling

machines, being operated illegally?

Mr. Kohn. I raised this question and was informed by their representative that they just don't have the personnel or staff to undertake investigations either before granting licenses or to verify, after the license is granted, the legal use of them.

Mr. Kennedy. How long would you have to stay in Jefferson Parish to find out that the pinball machines are being used as gambling

devices?

Mr. Kohn. Well, sir, just long enough to come to the crime commission, get a list of the spots, and go over and see them.

Mr. Kennedy. It would take maybe an hour?

Mr. Kohn. I would say an hour would be enough to make a reasonable investigation.

Mr. Kennedy. We had an investigator down there and he found

out in less than an hour.

So I assume somebody from the Federal Communications Commission could have done it in an hour.

Mr. Kohn. Yes, sir; he was well educated in a very short time.

Senator Curtis. May I ask this question: Has the Commission ruled on the validity of the license by reason of the fact that the supplemental statement indicates that an alien brother is part of it?

Mr. Constandy. I believe that is still pending.

Senator Curtis. You do not know how soon they are expected to move?

Mr. Constandy. No: I do not.

Senator Curtis. I would like to ask you. Mr. Kohn, this question: Is it the belief that this radio license would be used to disseminate

gambling information, that in other words it would be a direct part

of the gambling apparatus?

Mr. Kohn. In connection with the comments just made by Mr. Kennedy, their use in servicing gambling coin devices, this would exist. With reference to the wire service, whether or not they were or will use, in fact, the radio system for conveying horserace results, we believe, is not the issue.

Placing a gun in the hands of a known killer by license is not a very sensible thing to do in protection of others. Placing a means of communication, widespread communication, in the hands of those known to use means of communication for illicit purposes, we believe, lacks the same kind of defense.

Senator Curtis. I have no quarrel with you on that. But I just wondered this: Was it, we will say, the fear of those opposing these rackets that it would be used as part of the actual gambling apparatus

by disseminating information, code or otherwise?

Mr. Kohn. That is available to them for that purpose should they feel they had to use it; yes, sir. In other words, if they were placed in a situation where they were having trouble using telephone facilities, even for a short period of time, it would be very sensible for them to send out their 12 vehicles into 12 spots for relay points on information; placed in that position, this would be a logical thing for them to do.

They have never, in their record of use of facilities, indicated any

moral sense of obligation to regulations.

Senator Curtis. I understand that. I am not quarreling with you. I think there might be a legal question of whether or not it would be a crime to send a message over any communicating system, to dispatch a mechanic, even though the mechanic's ultimate errand was upon a mission that was used in violation of the law.

But it is also possible, I would think, that this could be used to disseminate information relating to the bets and the other features of

gambling.

Mr. Kohn. It could well be used for that purpose.

Mr. Kennedy. Isn't it correct that Mr. Carlos Marcello has been under orders of deportation from the United States since about 1953?

Mr. Koun. Actually, on the very day that the new McCarran Act went into effect, Carlos Marcello was picked up and shortly thereafter ordered deported, under the new Federal law. Ever since then he has been fighting the deportation.

I believe the last count is that he has been in court some 37 times

in various appellate proceedings, and in various hearings.

Mr. Kennedy. But certainly that order was in effect, or the situation regarding the order was in effect, in existence, at the time the radio station was granted?

Mr. Kohn. Yes. He was under final order of deportation at that

time.

The CHAIRMAN. At the time this license was granted?

Mr. Kohn. Yes, sir.

The CHARMAN. But I do not think at the time the Federal Communications Commission knew of his interest in it, in the business; did it?

Mr. Konn. I would assume they had no knowledge probably beyond what was received in the application.

The CHAIRMAN. That has developed since.

Mr. Konn. Yes, sir.

The CHAIRMAN. That is, so far as their knowing.

Mr. Kohn. Yes, sir.

Senator Curtis. Mr. Chairman-

The Charman. Senator Curtis?

Senator Curtis. May I ask the staff witness another question?

The CHAIRMAN. Proceed.

Senator Curtis. Did I understand correctly that this license was issued on the statement of Vincent that he was the sole owner operating under a trade name of the music company, the Jefferson Music Co., in the original instance?

Mr. Constandy. In answer to that, Senator, the correspondence to the Jefferson Music Co. was in care of Mr. Vincent J. Marcello, dated November 3, 1958, which I believe is the initial correspondence be-

tween the FCC and the company, and in it it reads:

The Commission is in receipt of information indicating that the Jefferson Music Co., of which you were the sole proprietor in 1957, according to your application for a license, may now be a partnership or an unincorporated association, and that the radio station may not now be operated at all times for purposes contemplated by the Commission's rules governing the citizens radio service.

Senator Curtis. While you have not examined the original application, that would indicate that he applied on the basis of his being

Mr. Constandy. I believe that is so; yes, sir.

Senator Curtis. Do you know whether in FCC the issue has been raised that the license was granted on the basis of a false application?

Mr. Constandy. No; I do not. The balance of this letter goes on to ask the applicant, Mr. Vincent Marcello, certain questions which he, in turn, answers by this sworn statement dated December 2, 1958. The first question reads, as a matter of fact:

State whether or not you are still the sole proprietor of the business conducted under the trade name of Jefferson Music, and then state whether the business is now conducted under a partnership agreement or unincorporated association.

Senator Curtis. What did he answer?

Mr. Constandy. His answer to that specific question was he incorporated A, B, C, and D. Maybe I better read the whole thing.

Senator Curtis. Just the answer.

Mr. Constandy. Well-

As I indicated before, that Jefferson Music Co. is now and always has been a partnership between myself and by brother Carlos Marcello. Mr. Carlos Marcello has not been actively engaged in the business in any manner since I returned from the service in 1945. I have operated the business solely by myself since that time to the present date.

My agreement with my brother Carlos, as evidenced in partnership returns filed for Federal tax purposes, is that he is to receive 50 percent of the yearly net profit of such business which, in fact, he does receive. Other than the 50

percent distribution of profit yearly, he receives no compensation.

Senator Curtis. I am certainly unfamiliar with FCC law but it would appear that where an applicant makes a false statement in an original application, conceals the fact that he has a partner who is ineligible to receive a license, certainly might be grounds to revoke the

license if they want to revoke it.

Mr. Constandy. As I mentioned, Senator, that matter is still under consideration by the FCC and I do not believe they have reached any final ruling on it.

Mr. Kennedy. In connection with the gambling, do you say that

the gambling is running wide open in Jefferson County?

Mr. Kohn. Almost continuously. There are momentary periods of comparative cessation following pressures from the press and civic groups.

Mr. Kennedy. These pinball operations in Jefferson County are

used as gambling equipment?

Mr. Konn. In the entire area of metropolitan New Orleans, yes. sir, including Jefferson Parish.

Mr. Kennedy. Including Jefferson Parish?

Mr. Kohn. Yes.

Mr. Kennedy. And other parishes as well?

Mr. Kohn. Yes.

Mr. Kennedy. They have gambling stamps; do they?

Mr. Kohn. Some do. For example, just taking 1 area, in 1 check we found that out of approximately 1,400 pinball machines in the city of New Orleans, about 87 of them had gambling stamps.

Mr. Kennedy. Do you know what the situation is in Jefferson

Parish?

Mr. Kohn. No, sir; we haven't made that figure study.

Mr. Kennedy. Have you found from your investigation that the sheriff or any of his deputies have attempted to close down any of this gambling equipment?

Mr. Kohn. On the contrary, they totally ignore complaints received by the sheriff's office concerning gambling of any kind in the parish.

Mr. Kennedy. Have you received reports that they have actively assisted and helped the companies which are owned by Carlos Marcello, or with whom he has a close association?

Mr. Kohn. Yes, sir. In addition to the Jefferson Music Co., one

of the Marcello group interests is the Huey Distributing Co.

Mr. Kennedy. H-u-e-y?

Mr. Kohn. H-u-e-y. And which is on what is known as the east bank of Jefferson Parish. The Mississippi River runs in through Jefferson Parish and divides it into two areas, one known as the east and the other the west bank area. The Gretna Co., Jefferson Music, is on the west bank. Huey Distributing is on the east bank. The Huey Distributing Co., in which Carlos Marcello also derives—well, he is a partner in interest, has a financial interest—that is primarily managed, again, by Vincent Marcello, or was so managed, as is the Jefferson Music Co.

Within a matter of weeks after Sheriff Coci took office, in June 1956, his two chief deputies, his chief criminal deputy and chief civil deputy, were calling on bars and restaurants throughout the parish, especially on the busier highways and busier spots, ordering them to move out their present jukeboxes and pinball machines, and advising them that new ones would be supplied by the Marcello-controlled companies.

They were given the alternative of doing that or being harassed by

police raids.

The Chairman. This is the case where the law enforcement officials, who are supposed to enforce the law, muscle in and tell the operators or the business owners that they have to change from one machine to another, or from one company to another, in order to operate!

Mr. Koun. Yes, sir; that is correct.

The Chairman. Otherwise, they would be molested by the law enforcement officials?

Mr. Kohn. Yes, sir.

The Chairman. But if they change and get in with the right company, they will have no problem; is that it?

Mr. Kohn. Yes, sir.

The Chairman. Did that happen?

Mr. Kohn. Yes, sir: it did happen. I might point out in passing that the same thing was done some years back in the city of New Orleans in connection with the organization of the operators of pinball machines, in order to force people to join an association. Law enforcement officers harassed operators' locations until the operators joined the association of operators.

The Chairman. And this time it was to change machines?

Mr. Kohn. To change machines.

The CHAIRMAN. And to get in with the people who were going to

run it, who would be the racket bosses, so to speak?

Mr. Kohn. Yes, sir. It was also interesting that many of the locations that were involved in this muscling process were on record as having Federal gambling stamps at the location for coin-operated devices. One of the location owners was told, "Put in our machines or we will close up your handbook."

Mr. Kennedy. Mr. Chairman, in that connection, I would like to call a witness to give some firsthand information in connection with

The CHAIRMAN. Will you want to further question Mr. Kohn?

Mr. Kennedy. Yes.

The Chairman. Very well. Call the next witness. Mr. Kennedy. Mr. Walter Richardson.

The CHAIRMAN. Please be sworn.

You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. RICHARDSON. I do.

TESTIMONY OF WALTER RICHARDSON, ACCOMPANIED BY COUNSEL, ROBERT I. BROUSSARD

The CHAIRMAN. Before we proceed further, I think I should state for the record that Sheriff William S. Coci was advised first by the staff that there would be derogatory testimony given at this hearing possibly against him, and then he was sent a wire in which he was invited to be present.

The Chair has received a wire in reply from him saying:

Re your telegram: Regret that due to prior important engagements will not be able to accept your invitation to attend meeting.

Signed "William S. Coci."

I did not want anyone to be under the impression that Sheriff Coci was slipped up on on the blind side.

State your name, your place of residence, and your business or

occupation.

Mr. Richardson. Walter Richardson, 2000-

The CHAIRMAN. Walter, did you say? Mr. RICHARDSON. Walter Richardson.

The CHAIRMAN. All right.

Mr. RICHARDSON. 2,000 block of Shrewsbury Road, New Orleans.

Mr. Kennedy. Jefferson Parish?

Mr. Richardson. Jefferson Parish, New Orleans.

The CHAIRMAN. What is your business? What do you do?

Mr. RICHARDSON. I have a bar and restaurant.

The CHAIRMAN. A what?

Mr. RICHARDSON. A bar and restaurant. The CHAIRMAN. A bar and restaurant?

Mr. RICHARDSON. Yes, sir.

The CHAIRMAN. Have you counsel present?

Mr. RICHARDSON. Yes, sir.

The CHAIRMAN. Mr. Counsel, will you identify yourself for the record?

Mr. Broussard. Robert E. Broussard, Gretna, La.

The CHAIRMAN. You are licensed to practice in Louisiana, a member of the Louisiana Bar?

Mr. Broussard. Yes, sir.

The CHAIRMAN. Thank you very much.

Proceed.

Mr. Kennedy. Mr. Richardson, how long have you been operating your bar and restaurant?

Mr. Richardson. About 8½ years.

Mr. Kennedy. You had some difficulties in connection with your jukebox a year or so ago, did you not?

Mr. Richardson. Yes, sir.

Mr. Kennedy. You ultimately filed a case against some individuals, which case came to the attention of the staff of this committee; is that correct? Well, you wouldn't know that. The case came to the attention of the staff of the committee and you were interviewed by a member of the staff?

Mr. Richardson. Yes, sir.

Mr. Kennedy. And ultimately you were given a subpena to appear before the committee?

Mr. Richardson. Yes, sir.

Mr. Kennedy. I just want to make sure it is understood, Mr. Chairman, that the witness is here after being subpensed, and here is obligated, of course, to give the facts and information to the committee in connection with the matter.

The Chairman. What we are saying is that you did not necessarily volunteer to get in touch with the committee to divulge the informa-

tion; did you?

Mr. Richardson. No, sir.

The Charman. They overtook you somewhere: is that right?

Mr. Richardson, Yes, sir. The Chairman, All right.

Mr. Kennedy. Mr. Richardson, since opening your establishment you had used a jukebox which was owned by a man by the name of Al Dargis; is that right!

Mr. RICHARDSON. That is right, sir.

Mr. Kennedy. He was a Jefferson Parish jukebox operator and a bar owner!

Mr. Richardson. Yes, sir.

Mr. Kennedy. In June of 1956, Mr. William S. Coci was elected sheriff of Jefferson Parish?

Mr. RICHARDSON. That is right.

Mr. Kennedy. You are familiar with that. Following this, the sheriff's deputies in about August, around August of 1956, two of the deputy sheriffs came to see you, two of Mr. Coci's deputy sheriffs?

Mr. Richardson. I disremember the date, but they did came.

Mr. Kennedy. Well, it was a couple of months after he was elected as sheriff?

Mr. Richardson. Yes, sir.

Mr. Kennedy. Will you relate to the committee what they told you

at that time?

Mr. Richardson. Well, I was minding my restaurant, lying in back of my bar, and they came into the place and asked the girl where I was, and she said I was sleeping. The girl pointed out where I was sleeping at and they came to knock on the door and asked me to talk to them. So I came on out.

Mr. Kennedy. You were sleeping, and they came and told you that

somebody wanted to see you?

Mr. Richardson. That is right.

Mr. Kennedy. They woke you up and you came out?

Mr. RICHARDSON. That is right.

Mr. Kennedy. Would you relate what happened?

Mr. Richardson. They said they had some business to talk to me on the jukebox. I wanted to know what it was all about. They asked me how many jukeboxes do I have in my place, and I said I had Mr. Dargis' box. They told me, "You have to use our equipment because we are taking over.

I said, "No, I will not deal with your equipment. I have been dealing with this man since I went into the jukebox business and I am not going to take his box out of my place." They said, "Oh, yes, you

are, or we will put pressure on you.

Mr. Kennedy. Said what?

Mr. Richardson. "Put pressure on you."

Mr. Kennedy. These deputies said they were taking over and from now on you would be using their equipment?

Mr. Richardson. That is right.

Mr. Kennedy. And you explained that you had used Mr. Dargis' equipment and you were going to keep Mr. Dargis' equipment in there?

Mr. Richardson. That is right.

Mr. Kennedy. And they said, "No, you aren't; you are going to use our equipment"?
Mr. Richardson. That is right.

The Chairman. How long had you been using Mr. Dargis' equipment?

Mr. Richardson. Since the first day I went into the barroom business. That was about 8½ years.

The CHAIRMAN. You had been using that fellow's equipment for

 $8\frac{1}{2}$ years?

Mr. Richardson. Yes, sir.

The Chairman, You had an election down there and got a new

Mr. RICHARDSON. That is right.

The Chairman. And a couple of months after he took office, you were advised by his deputies that you better get some other machines? Mr. Richardson. Yes, sir.

The CHAIRMAN. And to quit doing business with somebody else?

Mr. RICHARDSON. That is right, sir.

Senator Curtis. What were the names of these deputies?

Mr. RICHARDSON, I wouldn't know their names, I would know them when I seen them.

Senator Curtis. How do you know they were deputy sheriffs?

Mr. RICHARDSON. Because one of them had a uniform on.

Senator Curtis. You had seen both of them around?

Mr. Richardson. I know one of them, Davy Green. I know one of them, but the other one I doesn't know his name. I know him when

Senator Curtis. Do you know their names now? Senator Curtis. What is his name?

Mr. Richardson. Davy Green.

Mr. Kennedy. The first visit that you had——

Mr. RICHARDSON. The first visit?

Mr. Kennedy. Who were the deputies that came to see you the first time?

Mr. Richardson. The first one was no deputy. It was two fellows-I know one of them if I seen him and the other one I would know him if I seen him. He had a scar on his face.

Mr. Kennedy. When they first came in—

Mr. RICHARDSON. Those were the ones that woke me up out of bed. Senator Curtis. Those fellows who woke you up, what made you think they were deputy sheriffs?

Mr. Richardson. Because I know one of them was working over at

Senator Curtis. You had seen him working around the sheriff's

Mr. Richardson. Yes, sir.

Senator Curris. Did they say they were deputy sheriffs?

Mr. RICHARDSON. Not the first time; no sir.

Senator Curtis. But they referred to the Huey Distributing

Agency as theirs; didn't they?

Mr. Richardson. I don't know what they are now. All I know is it was a Rockola box. I don't know where it come from or what name of the company or nothing. All I know is Rockola.

Mr. Kennedy. Let me see if we can get this straightened out.

When these individuals came to see you, these were two deputy sheriffs?

Mr. Richardson. The first two?

Mr. Kennedy, Yes.

Mr. Richardson. No, sir; they wasn't deputy sheriffs. One of them was working around the deputy's office.

Mr. Kennedy. The people who came knocking on your room?

Mr. Richardson. Them is the ones I am talking about.

Mr. Kennedy. They were not?

Mr. Richardson. No.

Mr. Kennedy. When did Mr. Coci and Mr. Arnoult came to see ou?

Mr. Richardson. They come to see me, I would say, around about a month after that.

Mr. Kennedy. The morning after that? Mr. Richardson. A month; 1 month.

Mr. Kennedy. That is Mr. Coci; he is a deputy sheriff?

Mr. Richardson. Mr. Red Coci.

Mr. Kennedy. He was one of the deputy sheriffs?

Mr. Richardson. Yes, sir.

Mr. Kennedy. What relation is he to the sheriff?

Mr. Richardson. I really couldn't tell you.

Mr. Kennedy. He is a brother of the sheriff, and he is one of the deputy sheriffs. Then there was Mr. Arnoult?

Mr. Richardson. Yes, sir.

Mr. Kennedy. Mr. Arnoult was another deputy sheriff?

Mr. RICHARDSON. I don't know whether he is a sheriff or not. I wouldn't want to say it as I don't know.

Mr. Kennedr. What did they say to you?

Mr. Richardson. They came in there and told me I had to use their equipment, otherwise they are going to put pressure on me, and start to raid me and close me up.

Mr. Kennedy. They are the ones that carried on this conversation

that you related to the committee?
Mr. Richardson. That is right.

Mr. Kennedy. What did the people say to you that first came to see you?

Mr. RICHARDSON. They said the same thing, if I don't use their box,

they are going to put pressure on me.

Mr. Kennedy. So both groups said approximately the same thing?

Mr. Richardson. Yes, sir.

Mr. Kennedy. About the fact that you would have to take their kind of equipment?

Mr. Richardson. Right, sir.

Mr. Kennedy. And you told them at that time that you had been using Mr. Dargis' equipment and you weren't going to have anything to do with them?

Mr. RICHARDSON. That is right.

Mr. Kennedy. You stood up to them at that time?

Mr. Richardson. That is right.

Mr. Kennedy. Did they then start raiding your bar?

Mr. Richardson. Yes, sir. Practically every weekend, Friday, Saturday, and sometimes on Sunday, but practically every Friday and Saturday around 3 or 4 weeks.

Mr. Kennedy. Started putting on the pressure?

Mr. Richardson. Yes, sir.

Mr. Kennedy. And started searching your customers?

Mr. RICHARDSON. Searching my customers; yes, sir.

Mr. Kennedy. Did they bring them down to the police?

Mr. RICHARDSON. One time.

Mr. Kennedy. But other than that they never brought them down?

Mr. Richardson. No, sir.

Mr. Kennedy. Did they come in there night after night and start searching your customers and making arrests?

Mr. RICHARDSON. Mostly on the weekend and sometimes on Sunday,

practically every Friday and Saturday.

Mr. Kennedy. Have you ever had that trouble?

Mr. Richardson. Never, with no law coming into my place.

Mr. Kennedy. Was it connected directly with your not putting in this equipment?

Mr. Richardson. I told them I wasn't going to put it in, that I

wasn't going to use it, definitely.

Mr. Kennedy. Did they ever come in and unplug your machine and

put in another machine?

Mr. Richardson. Yes, sir. I wasn't there when they came in and unplugged it. The first time they brought the box I wasn't there.

Mr. Kennedy. What kind of a box was it?

Mr. Richardson. Rockola.

Mr. Kennedy. That is the Rockola jukebox; is that right?

Mr. Richardson. Yes, sir.

Mr. Kennedy. What happened then?

Mr. RICHARDSON. I wasn't in when they brought the box. The girl told me when I came that the box was there. That is when I called up Mr. Al Dargis and told Mr. Al Dargis what had happened. So Mr. Al Dargis came over there and wanted to find out what happened,

why the box was there.

Mr. Kennedy. You will have to slow down.

Mr. Richardson. "I never had no misunderstanding with you, and

I want your box definitely."

He said, Mr. Al say, "Well, unplug it." I said, "No, I don't want no misunderstanding. You unplug it. I am giving you the order to unplug it." So Mr. Al did.

Mr. Kennedy. When you talk about Mr. Al, you are talking about

Dargis?

Mr. Richardson. Mr. Dargis.

Mr. Kennedy. To summarize, somebody came in and unplugged Mr. Dargis' machine?

Mr. Richardson. Yes, sir.

Mr. Kennedy. Brought in a Rockola machine and plugged that in?

Mr. Richardson. Yes, sir.

Mr. Kennedy. The exclusive distributors, Mr. Chairman, at that time, of the Rockola jukebox machine, was the Huey Distributing Co., which is Marcello owned.

They came in and plugged this in, so you called up Mr. Dargis and

told him about it?

Mr. Richardson. Yes, sir.

Mr. Kennedy. Mr. Dargis came down. His machine had been turned to the wall and the other machine was plugged in?

Mr. Richardson. That is right.

Mr. Kennedy. He said, "Well, why don't you unplug that machine and put my machine back in?" and you said, "Go ahead and unplug it yourself"?

Mr. Richardson. That is right.

Mr. Kennedy. So he unplugged it, turned the Rockola machine to the wall and plugged his own back in?

Mr. RICHARDSON. That is right, sir.

Mr. Kennedy. At this point, his machine is plugged in and the other machine is turned to the wall, right?

Mr. Richardson. Yes, sir.

Mr. Kennedy. And you are still holding fast against them?

Mr. Richardson. Yes, sir.

Mr. Kennedy. Did anybody come to see you then?

Mr. Richardson. Yes, they came back.

Mr. Kennedy. Did they say anything to you, then?

Mr. RICHARDSON. Yes, sir. They said, "What is the matter you don't want to keep my box?" and I said, "I told you at first I didn't want to have your box."

Mr. Kennedy. Who came in at this time?

Mr. Richardson. The same two that came at first.

Mr. Kennedy. Did another deputy sheriff come in then, Mr. Baby Brown?

Mr. Richardson. Baby Brown.

Mr. Kennedy. He was a deputy sheriff?

Mr. Richardson. Yes, sir.

Mr. Kennedy. What did he tell you?

Mr. RICHARDSON. He and Mr. Arnoult came in together.

Mr. Kennedy. He and who? Mr. Richardson. Arnoult.

Mr. Kennedy. What did they say? That Mr. Arnoult being the

other deputy sheriff?

Mr. RICHARDSON. Arnoult didn't saying anything. He came in with Baby Brown. The box was playing like it always has played on a weekend, and when he walked in he said, "What is the matter the box playing so loud?" and I said, "The box is not playing so loud as it has been playing," and he said, "Yes?" and he walked over and cut the box off. When he cut the box off, I turned it back on, and from one word to another me and him got in an argument, and me and him got into a little misunderstanding, and me and him got to fighting, and I shoved him out of the place.

Mr. Kennedy. Did he keep unplugging it and you plugged it back

 $\operatorname{in} ?$

Mr. RICHARDSON. Yes, sir; four or five times.

The CHARMAN. The deputy sheriff?

Mr. Richardson. Yes, sir.

Mr. Kennedy. And then you shoved him out of the place?

Mr. Richardson. Yes, sir, and he brought back and hit me and I grabbed him and went to tusseling, and two people in the place

grabbed him and I shoved him out the door. He said, "I will be back with more deputies." I stood there and waited and he never did came back.

Mr. Kennedy. Did they continue to raid your place then?

Mr. RICHARDSON. Yes, sir. They kept on raiding.

Mr. Kennedy. That was through September they kept raiding it, August and September?

Mr. RICHARDSON. They raided it along about a month and a half

or so.

Mr. Kennedy. Every weekend?

Mr. RICHARDSON. Yes, sir. Senator Curtis. Did they ever find any unlawful activity going

on there that would sustain a charge?

Mr. Richardson. Never have. I never did have any trouble with them before they came there to see me about the box, and I have been in the bar business $8\frac{1}{2}$ years.

Senator Curtis. And you were never tried and found guilty of anything arising out of evidence that they might have picked up when

they raided you?

Mr. Richardson. No, sir.

Senator Curris. It is your belief that the raid was not bona fide so far as your being guilty of any crime, but it was to harass you?

Mr. Richardson. That is what I think it is, to try to get the box in

my place.

Mr. Kennedy. Then in October 1956, or just prior to that, at the suggestion of Mr. Al Dargis, you went to see your attorney and you

Mr. Richardson. A suit; yes, sir. Mr. Kennedy. On October 1, 1956? Mr. RICHARDSON. That is right, sir.

Mr. Kennedy. Trying to restrain the sheriff from this harassment?

Mr. RICHARDSON. That is right, sir.

Mr. Kennedy. And after that a temporary restraining order was granted; is that right?

Mr. RICHARDSON. That is right, sir.

Mr. Kennedy. And they have not bothered you since then?

Mr. RICHARDSON. They never have bothered me since then up until today.

Mr. Kennedy. Up until today?

Mr. Richardson. That is right, sir.

Mr. Kennedy. Well, you really stood up, Mr. Richardson.

Mr. Richardson. Yes, sir.

Mr. Kennedy. You have a lot of courage.

The CHAIRMAN. Are you still operating the original machine you had?

Mr. Richardson. Yes, sir.

The CHAIRMAN. Do you know of anybody else that had trouble with them?

Mr. Richardson. Not to my knowledge; not since the suit.

The Chairman. You just know about your own problems? Mr. Richardson. That is all, sir.

The Charman. All right. Thank you very much.

Call the next witness.

Senator Curtis. May I ask your counsel in what jurisdiction that suit was brought?

Mr. Broussard. In the 24th Judicial District Court in Jefferson

Parish.

Senator Curtis. Under your system there, is that jurisdiction limited to Jefferson Parish or a part thereof?

Mr. Broussard. It is entirely Jefferson Parish. It is a district

composed of Jefferson Parish.

The Charrman. The witness will remain under his present subpena, under the jurisdiction of this committee, subject to being recalled at such time as the committee may desire to hear further testimony from him.

Will you acknowledge that request of the committee, that direction of the committee, and agree to reappear before the committee upon reasonable notice to give further testimony if the committee desires

it!

(The witness conferred with his counsel.)

Mr. RICHARDSON. Yes, sir. Is it all right if I can leave today and

be called back?

The CHAIRMAN. Yes, we are going to let you leave today but I wanted to keep you under the jurisdiction of the committee. If anyone undertakes to intimidate, molest, threaten you, cause you any inconvenience or trouble about your appearance here, and your testimony here today, I want you to let the committee know about it at once.

Mr. Richardson. I sure will, sir.

The CHARMAN. Thank you.

Call the next witness.

Mr. Kennedy. Mr. Gillen.

The CHAIRMAN. Be sworn, please.

You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Gillen. I do.

TESTIMONY OF RICHARD J. GILLEN

The Chairman. State your name, your place of residence, and your business or occupation, please, sir.

Mr. Gillen, Richard John Gillen, 409 Coolidge Street. I own

Pat Gillen's Bars.

The CHAIRMAN. Mr. Gillen, do you waive counsel?

Mr. GILLEN. Yes, sir.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. Kennedy. This is another type of operation, Mr. Chairman, which was going on during this period of time that Mr. Kohn was discussing. I felt that Mr. Gillen's tesimony might be helpful in understanding the situation.

You own two bars called Pat's No. 1 and Pat's No. 2?

Mr. Gillen. Well, I bought another one since November of this year. That was last year.

Mr. Kennedy. That was last year?

Mr. GILLEN. Well, 1958. In November of 1958 I purchased Pat Gillen No. 3.

Mr. Kennedy. Well, up until then you had Pat's No. 1 and Pat's No. 2?

Mr. Gillen. Correct.

Mr. Kennedy. And they were taverns and restaurants in Jefferson Parish, La.; is that right?

Mr. GILLEN. Right.

Mr. Kennedy. You had machines in these bars owned by the New Orleans Novelty Co., the Manhattan Amusement Co., and Clem Guillot?

Mr. Gillen. That is correct.

Mr. Kennedy. In July or August 1956, were you visited by Albert Huffine?

Mr. Gillen. I was.

Mr. Kennedy. General manager of Huey Distributing Co.?

Mr. Gillen. I don't know whether he was general manager. He told me he owned it.

Mr. Kennedy. He told you that he owned the Huey Distributing Co.?

Mr. Gillen. Correct.

Mr. Kennedy. Did he indicate to you or tell you that you should take out the other machines and put his machines in?

Mr. Gillen. Well, the two operators from New Orleans.

Mr. Kennedy. Did he tell you that you should take those machines out and put his machines in?

Mr. Gillen. He said inasmuch as I was making a living in Jeffer-

son, I should patronize Jefferson Parish men.

Mr. Kennedy. Did he indicate to you that he was connected with the correct or right people and for your own operation and for your continuance in business you better take his machines?

Mr. Gillen. No; he didn't say he was right or anything. But I

figured it was best to patronize Jefferson people.

Mr. Kennedy. Did he say to you in any way that he was connected with the correct people, or indicate to you?

Mr. GILLEN. No; he just said he had the OK to put out machines. Mr. Kennedy. Well now, you had been operating. How long had you had these other machines in there?

Mr. Gillen. Offhand, I couldn't say. My son had the machines for

a while, and he sold out to the New Orleans Novelty.

Mr. Kennedy. Approximately how long had you had these machines of these other companies in there?

Mr. Gillen. Well, all during the war and up until the early 1950's

I owned my own machines.

Mr. Kennedy. So you had had them in there—what; 4 or 5 years? Mr. Gillen. No; I don't believe I had them in there a year or two.

Mr. Kennedy. Up to when? When did you give up your own machines in your place of business?

Mr. Gillen. When Gravenberg came in. Mr. Kennedy. That was the honest sheriff? Mr. Gillen. That was the honest police chief.

Mr. Kennedy. So you got rid of your own machines then?

Mr. GILLEN. I got rid of all the slots in 1952.

Mr. Kennedy. Did he have a big campaign on against them?

Mr. Gillen. A tremendous one.

The CHAIRMAN. Was it effective?

Mr. Gillen. As far as I was concerned, I got out of business.

The Chairman. Effective enough to get you out of business?

Mr. Gillen. That is correct.

Mr. Kennedy. He would take the machines and bust them up; would be not?

Mr. Gillen. Yes; he would destroy them.

Mr. Kennedy. He had a tractor come along with them and run over the machines?

Mr. Gillen. I believe he used a sledge hammer.

Mr. Kennedy. How long, approximately, do you think you had

these other machines in there?

Mr. Gillen. Well, my son wanted to go in business, so I bought him a few machines, and he just had them in my two locations. But they changed machines every month or two, and you buy a machine and pay \$750 for it and when you trade it in you would only get \$200.

Mr. Kennedy. I don't want to go through all that.

Mr. Gillen. We couldn't make any money. I don't recall when he sold out. You should have a record there, if you have the books.

Mr. Kennedy. The records would appear to indicate that you had the New Orleans Novelty Co. in there for approximately 3 or 4 vears.

Mr. Gillen. It could have been that. But I don't think my son

lasted a year.

Mr. Kennedy. Why, when this other company came along, did you decide to change? What was it that made you feel you better change to the Huey Distributing Co.?

Mr. Gillen. Well, I mean I felt like I had to do business with

Jefferson Parish business.

Mr. Kennedy. You alwas felt that. You were always operating in Jefferson Parish. Why hadn't you felt that before?

Mr. Gillen. Well, under the deal my son had sold—— Mr. Kennedy. Don't keep going back to your son.

Mr. Gillen. Well, I mean, that is the reason they were in there.

Mr. Kennedy. I understand that. Why did you decide to change? What was it that the man said to you that you felt it advisable to get the Huev Co.'s machines in there?

Mr. Gillen. He was from Jefferson.

Mr. Kennedy. There were other people from Jefferson around.

Mr. Gillen. He was from Jefferson. His machines are still in there.

Mr. Kennedy. What did this man say to you that you felt made it advisable for you to change?

Mr. GILLEN. Well, I mean, he just said he was from Jefferson.

Mr. Kennedy. Did he indicate to you at all that he knew the right people or the people behind him knew the right people?

Mr. GILLEN. No; he just said he had the OK, which was good

enough for me.

Mr. Kennedy. He had the OK? Mr. GILLEN. To put out machines.

Mr. Kennedy. Who did he get the OK from? Mr. Gillen. I don't know.

Mr. Kennedy. Who did you think, when he said, "I got the OK"? Who did you think he got the OK from?

Mr. Gillen. I wouldn't know. I imagine he got it from somebody

high up.

Mr. Kennedy. High up where?

Mr. GILLEN. Well, it could be most anybody.

Mr. Kennedy. Well, who is high up?

Mr. Gillen. Well, you got the district attorney, you got the sheriff, and most any one of those.

Mr. Kennedy. You thought it was one of these people he had got-

ten the OK from?

Mr. Gillen. Well, I imagine so.

Mr. Kennedy. Who specifically did you think he got the OK from?

Mr. Gillen. I don't know, to tell you the truth.

Mr. Kennedy. It just sounded pretty good to you that he had gotten the OK, so you went ahead and changed?

Mr. GILLEN. That is correct.

Mr. Kennedy. What kind of machines do you have in there? Just the jukebox?

Have you any pinball machines?

Mr. Gillen. What do you mean, what kind I have in there now? Mr. Kennedy. What kind of machines did the Huey Distributing Co. put in there?

Mr. Gillen. Keening. Console machines. Mr. Kennedy. What are console machines? Mr. Gillen. That is a slot-machine type.

Mr. Kennedy. A slot-machine type? A slot machine that is lying down flat?

Mr. Gillen. That is correct. But it doesn't pay off.

Mr. Kennedy. It doesn't pay off?

Mr. Gillen. No, sir.

Mr. Kennedy. How do you arrange that?

Mr. GILLEN. It works on free play.

Mr. Kennedy. Would you explain that to us, how it doesn't pay off? Mr. Gillen. Well, I mean, if you hit a combination or a winning combination, it registers free games.

Mr. Kennedy. What if you have 50 free games and you decide to

go home?

Mr. Gillen. Well, if we know you, we may pay you. If we don't know you, we will tell you we don't pay off. We have signs on the machines.

Mr. Kennedy. You have signs saying you wouldn't pay off?

Mr. Gillen. That is correct.

Mr. Kennedy. And you only pay off to the people you know?

Mr. Gillen. That is correct.

Mr. Kennedy. So it is a sort of limited payoff?

Mr. GILLEN. Well, in a way.

Mr. Kennedy. How much do you pay to play the machine?

Mr. GILLEN. What do you mean?

Mr. Kennedy. Do you put in a quarter, a dime, or a nickel?

Mr. GILLEN. Five and twenty-five.

Mr. Kennedy. So you got both kinds?

Mr. Gillen. Well, you can put a nickel in one side and a quarter in the other. You can play double, if you want.

Mr. Kennedy. This is one of the best kinds of slot machines going;

Mr. Gillen. The best one was the one-armed bandit.

Mr. Kennedy. Is this almost as good?

Mr. GILLEN. No.

Mr. Kennedy. Do you have a gambling stamp?

Mr. Gillen. Do you mean for the machines? Mr. Kennedy. Yes.

Mr. GILLEN. Yes.

Mr. Kennedy. Is gambling illegal?

Mr. Gillen. I imagine so.

Mr. Kennedy. Has anybody ever raided you since the honest— Mr. Gillen. No; no one has ever raided me on the machines; no.

Mr. Kennedy. Has anybody come around with a sledge hammer lately?

Mr. Gillen. Well, let's see, I was raided once. Frank Clancy busted

up all my slots.

Mr. Kennedy. Since the new sheriff came in, since the man from Huey came in and said, "We have the okay," has anybody come in since then?

Mr. Gillen. No.

Mr. Kennedy. Is there a handbook going in your place?

Mr. GILLEN. In my place? Mr. Kennedy. In your place.

Mr. Gillen. Of business? Well, I have different buildings that adjoin mine that are operating.

The CHAIRMAN. You have what?
Mr. Kennedy. A building in back of your store that has a handbook going?

Mr. GILLEN. Yes.

The CHAIRMAN. You have kind of compartments?

Mr. Gillen. Well, that is correct. In other words, it is a different address and everything else.

The CHAIRMAN. But it is all right there handy.

Mr. GILLEN. Well, I mean, you can go from my place to it.

Senator Curtis. Who owns it?

Mr. Gillen. To tell you the truth, I don't know who owns it. I just collect rent.

Senator Curtis. Who runs it?

Mr. Gillen. The guy's name, I believe, is Red Jambeau.

Senator Curtis. Do you have any connection with it?

Mr. GILLEN. No, sir.

Senator Curtis. That is all.
Mr. Kennedy. You sort of rent that out?

Mr. Gillen. Yes, sir.

Mr. Kennedy. You rent the right to run the handbook there; is that it?

Mr. Gillen. I rent the building. I don't care what they do in it.

Mr. Kennedy. That is all, Mr. Chairman.

The Chairman. Thank you. Call the next witness.

Mr. Kennedy. One further question: Do you know why the sheriff or any of these other people do not try to close down the gambling in Jefferson Parish?

Mr. Gillen. I imagine he thinks the people are for it. Mr. Kennedy. That the people are in favor of it?

Mr. Gillen. All the people I talk to are in favor of it.

Mr. Kennedy. What about the fact that it is illegal?

Mr. GILLEN. Well, he doesn't seem to think so. Mr. Kennedy. That is very nice. Thank you.

The CHAIRMAN. The committee will be in recess for a few moments. We have just been called to the floor to participate in a vote. We will be back as quickly as we can.

(A brief recess was taken. Members of the Select Committee present at the taking of the recess were Senators McClellan and Curtis.)

The CHAIRMAN. The committee will come to order.

(Members of the Select Committee present after the recess were Senators McClellan and Curtis.)

The CHAIRMAN. Call the next witness.

Mr. Kennedy. Mr. Salinger.

The CHAIRMAN. Have you been sworn?

Mr. Salinger. No, sir.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate Select Committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Salinger. I do.

TESTIMONY OF PIERRE E. G. SALINGER

The Charman. Proceed to identify yourself.

Mr. Salinger. My name is Pierre Salinger. I am an investigator for the committee, and I reside in Washington, D.C.

Mr. Kennedy. Mr. Salinger, have you made a study of the books of Mr. Gillen and Pat's No. 1 and Pat's No. 2?

Mr. Salinger. I have, sir.

Mr. Kennedy. Have you found that there was a switch over to the Huey Distributing Co.?

Mr. Salinger. We have, sir. Mr. Kennedy. Would you relate to the committee what we know about the Huey Distributing Co. and what happened as far as Pat's No. 1 and Pat's No. 2? Just in brief what is it?

Mr. Salinger. The Huey Distributing Co. is owned, or was owned, by Mr. Vincent Marcello. The general manager of the firm is listed as Mr. Albert Huffine. The agent of the company for Louisiana and Mississippi was listed as Mr. Nastasi.

Mr. Kennedy. There was a notice to that effect put out by Mr.

Marcello?

Mr. Salinger. It was. It appeared in the June 30, 1956, issue of Billboard magazine.

The books of Mr. Gillen's Pat's No. 1 and Pat's No. 2 bars in Jefferson Parish, La., showed that in 1955 his principal source of coinoperated machines, juke boxes, and pinball machines, was the New Orleans Novelty Co. In that year, the two bars together received from this company \$10,878.

I should explain that this represents half of the total income from those machines, since they were on a 50-50 split. In other words, New Orleans Novelty got \$10,878 and Mr. Gillen's two bars got \$10,878.

As we heard his testimony, the Huey Distributing Company became a factor in his business in 1956. They had no business at all with him

in 1955.

In 1956, they received a total of \$3,158 in Pat's No. 1 and Pat's No. 2, while the New Orleans Novelty Co. business dropped to \$9,971.50

in that year.

In 1957, the New Orleans Novelty Co. business at these two bars dropped further to \$7,052.20. In that year, there was a new factor in Mr. Gillen's business, the Vac-Key, and from that company Mr. Gillen received a total of \$4,357.50. The Vac-Key Amusement Co. was operated by Mr. Albert Huffine, who was at that time general manager of the Huey Distributing Co.

Mr. Kennedy. What was the Vac-Key Co.?

Mr. Salinger. The Vac-Key Co. was an operating company which operated pinbill machines and jukeboxes.

Mr. Kennedy. And the other is a distributing company?

Mr. Salinger. The other is a distributing company. That is correct.

Mr. Kennedy. Can Mr. Kohn return to the stand?

TESTIMONY OF AARON M. KOHN-Resumed

Mr. Kennedy. Mr. Kolm, would you identify the individuals who

were named by Mr. Richardson as the deputy sheriffs?

Mr. Kohn. Yes. I believe Mr. Richardson referred to Red Coci, who is chief criminal deputy sheriff; Malcolm Coci, popularly known as Red.

The other man he referred to is James Arnoult, the chief civil deputy sheriff. Both of them are the primary assistants to Sheriff William Coci, who is responsible for both the civil and criminal functions of the sheriff's office.

Mr. Kennedy. Mr. Kohn, do we find that their operations spread beyond Jefferson County? That is, Marcello's?

Mr. Kohn. Yes, in terms of the coin-device business. Actually, the area of Grand Isle is within Jefferson Parish, but it is divided from the rest of the parish by Lafourche Parish. Grand Isle is a community on the Gulf of Mexico where a narcotics ex-convict by the name of Tony Morella, very much tied with the Marcello mob, runs the coindevice business, and this is connected with the Marcello operations.

In the distributorship of Huey for Rockola, they had the entire

area, including part of Mississippi.

However, the Rockola distributorship was given up by the Huey

Distributing Co. last year.

Mr. Kennedy. What about Mr. Will Guillot, in St. Bernard Parish, La., the Guillot Amusement Co.? Do you find any connection between them and the Marcellos?

Mr. Kohn. Yes, sir. There is one situation which connects the interests of the two. Will Guillot, whose full name is Willard F. Guillot, and his son Glen, run the Guillot Amusement Co. They operate jukeboxes, pinball machines and slot machines. The headquarters for their operation is in a bar known as Corrine Club, in which Guillot also runs a handbook and has other forms of gambling.

Over a period of years gambling has been repeatedly found by our investigators. And, incidentally, as recently as January of this year

Guillot was arrested and charged with handbook gambling.

About 1953 or 1952, about the time, or perhaps immediately before Francis Gravenberg, the new state police superintendent, started smashing slot machines, Guillot bought some slot machines for delivery to his place in St. Bernard Parish. I might explain for the benefit of the committee that Jefferson Parish adjoins New Orleans to the west and to the south. St. Bernard Parish adjoins New Orleans to the east.

When these machines were delivered to Guillot, he paid part of the bill in cash, and the balance of it, believed to have been \$4,000, was handled by issuing a check. The check bounced and there were persistent efforts made to collect on it, which failed.

Then attorney for the vendor asked the shcriff of Jefferson Parish to issue a warrant for the arrest of Guillot in St. Bernard Parish, and he ran into a great deal of trouble in getting the warrant served.

Then he received a telephone call from Carlos Marcello, who said,

"Stay right where you are. I am coming over."

When he came over to this lawyer's office, he demanded to see the check. It was shown to him. Marcello tossed, I believe it was, \$4,000 in cash down, tore up the check, dropped it on the floor, turned around and walked out.

Guillot is ruthless in the control of his privilege of distributing coin devices. Perhaps an outstanding example of this comes in connection with a New Orleans operator by the name of Mitchell Morehead, who has the M. & M. Amusement Co. About the end of 1956, Morehead went into Jefferson Parish and installed 12 target-type coin-operated machines. Not long after, he found that his locations were asking him—all of his locations were asking him—to take out the machines.

Incidentally, these same locations were operating slot machines owned by Guillot. They told him he would have to take out his target machines unless he could get right with the right people, and then

described the right man as Will Guillot.

Morehead got in touch with Guillot and finally they worked out a compromise whereby Guillot would get half of the gross take of the target machines that he had installed in the parish, with Guillot being the one that was to collect the money and give Morehead his half.

However, weeks went by and Morehead never got any money, and went down and argued with Guillot about it. They got to another

compromise. He still received no money.

He went back the next time to check and found out that there were little paper I O U's in these machines instead of money. He went to see Guillot, who finally in substance told him, "Look, I really ought to be getting all this money. If the money weren't going into your machines, it would be going into my slot machines, so get them out of here or I will break them up."

Finally Guillot's son, Glen, delivered all of the target machines back to Morehead's place of business in New Orleans. Morehead never again attempted to go back into St. Bernard's Parish, until a friend of his, a Mrs. Irma Lowe, came to see him and asked him if

he wouldn't sell her a juke box on a chattel mortgage. This occurred after Mrs. Irma Barron Lowe and Mrs. Ruth Sanders had started a small restaurant on St. Bernard Highway not very far from Guillot's Corrine Club. They were told to get their juke box from Will Guillot, which they did.

But it never worked. They were having a lot of trouble with customers putting coins in and not getting their plays back. They would have to give the money back to the customers but they could never

get the money from Guillot.

About a month went by without the machine operating properly, and with Guillot telling them he was too busy with his handbook during the day to do anything about repairing the machine or have it repaired.

They finally got Guillot's permission to bring in another machine.

This is when the women went to Morehead in New Orleans.

A few days after Morehead's new Seeburgh machine was installed, about 7 o'clock at night, the front door of their small restaurant burst open. At this time there were the two women and a male customer. In through the door came Will Guillot, his son Glen Guillot, and a man by the name of Clem Nunez, who worked as a mechanic in this coin device business.

Glen Guillot had a gun in his hand and as he came in he started

shooting at the juke box.

Clem Nunez pulled out a blackjack and for the next 5 hours, approximately, there was a reign of terror inside of this little restaurant. When one of the women, having no phone available at the location, started to go out the door to use the phone at a fire station across the street, she was told that if she went out of the door, she would go out feet first.

They broke up all of the stock, that is, Coca-Cola, beer, excepting for what beer they drank themselves they destroyed, broke mirrors, smashed the cigarette vending machine. During the course of this, on two separate occasions, pairs of deputy sheriffs walked in. When the first pair walked in, they recognized the men, and they immediately

turned around and walked out again.

Not very much longer afterwards another pair of deputies walked in and started to do the same thing, but as they reached the door on the way out one of these three men picked up a beer bottle, threw it at the back of the deputy sheriff. It shattered on the door jam.

The deputy turned around and said, "You fellows better cut it out or you will get in trouble," and quickly walked out again. About midnight another deputy sheriff came in in civilian clothes, wearing a

gun, and threw the two Guillots and Nunez out of the place.

The women attempted the next day to have a complaint accepted by the District Attorney's office and it was refused. They also went to the clerk of the court, who refused to accept a complaint. Finally they found one Justice of the Peace who was willing to accept the complaint.

It was sent to the sheriff's office and the two Guillots and Nunez were then arrested and charged with disorderly conduct, threatening to do bodily harm with a pistol, and destroying private property.

Morehead thereafter—I might point out that this place of business never opened again. The money available to these people for operating their small business had been completely lost in the process of destruction. They tried to sue Guillot for recovery of their loss, which was several thousand dollars, and the woman, Mrs. Lowe, has stated that she had to drop the suit when Will Guillot in the presence of witnesses threatened that if she started walking into any courtroom to sue him, she would never reach the courtroom alive.

The owner of the jukebox, Morehead, he attempted to sue for recovery of damages. It cost something under \$300 to repair the jukebox. He could find no attorney who was willing to initiate a suit

against Will Guillot in St. Bernard Parish.

That is where the matter stands today. This, incidentally, happened in 1957, gentlemen.

Mr. Kennedy. That is in which parish?

Mr. Kohn. That is St. Bernard Parish, which lies across New Orleans from Jefferson Parish.

Mr. Kennedy. From Mr. Marcello's holdings, it would appear that he is an extremely wealthy man.

Mr. Konn. He is probably one of the wealthiest men in Louisiana today.

Senator Curtis. What does he own?

Mr. Kohn. His holdings are extensive, Senator. Marcello has many friends, family, lawyers, associates, dispersed over a wide area who appear to be very willing and closemouthed in their participation with him and his financial ventures.

Mr. Kennedy. Could you give us briefly a little bit about that?

Mr. Kohn. Well, I think I pointed out before that about 20 years ago his wife claimed poverty when there was a \$76,000 Federal penalty to be paid which was settled for \$400. In 1944, Carlos and his younger brother Vincent became partners in this Jefferson Music Co. It wasn't very many years thereafter when each of them was drawing something in the neighborhood of \$25,000 apiece from it.

As was pointed out here today, they operate in the neighborhood of 1,000 coin devices. In addition to that, Marcello moved into the Costello-Kastel slot machine operations. He became a partner in 1945 in the Dixie Coin Machine Co., the area distributors for the Mills

slot machines, manufactured in Chicago.

In November of 1946 Marcello bought a 17-percent interest in the Beverly Club for \$45,000 in cash. Frank Costello and Dandy Phil Kastel held the major share of ownership in the Beverly, which developed into one of the most lavish nightclubs and gambling casinos

in the Nation.

Incidentally, Meyer Lansky of New York, Florida, and Cuba gambling fame, was another owner of a piece of that club. Also in 1948, Marcello and Victor J. Trapani bought the New Southport Club, another gambling casino, for \$160,000. Marcello then got some interest in the Louisiana Quick Freeze & Storage Co., of Morgan City, La., and there was business association involved in the Sea Shrimp Co. at Patterson.

John Bellestri and Felice Golino, of the shrimp company, have continued through the years in the expanding investments of Marcello. His present residence in Metairie was purchased last year in the name of his mother for \$110,000 cash. His previous residence in Marrero, La., acquired in 1946, for \$42,500, was offered for sale

last year by realty agents for \$125,000.

In July 1958 the million-dollar-plus Town & County Motel went into business at Bossier City, near Shreveport, La., in which Marcello has an informally acknowledged, but formally denied, controlling interest. His attorney in Shreveport is the president of that corporation, Frank and Roy Occhipinti, who are in partnership with Marcello in the New Orleans area.

Mr. Kennedy. How do you spell that name?

Mr. Konn. O-c-c-h-i-p-i-n-t-i.

Felice Golino and John Bellestri are also major stockholders. Marcello has a substantial financial investment in the Holiday Inn Hotel in Jefferson Parish, La., purchased in November 1958 for \$1,800,000 in the name of Roy and Frank Occhipinti and others. Carlos' brother Anthony has since performed management functions in connection with the Holiday Inn and, as I pointed out, Carlos Marcello has at least \$100,000 or perhaps more involved in it.

Also in 1958—and I am speaking now of just this last year—Carlos Marcello, his five brothers, his two sisters and his mother sold 183 acres of land in the Gretna area of Jefferson Parish for 1 penny less than \$1 million. The sale was made to nine separate corporations created for the purpose of buying the land. The president of each corporation is James J. Culotta, who is a member of the Jefferson

Parish Planning and Zoning Board.

Mr. Kennedy. Which is an official government body?

Mr. Konn. Yes, sir. This is an official government agency, which grants zoning permits and the like. Culotta is a building contractor

that has long been connected with the Marcello activities.

About 7 years before—that is, in August 1951—this property was bought by Joseph Marcello, Sr., for \$5,800, at a time when Carlos was under great pressure for contempt before the Senate investigating committee. Marcello, Sr., died in June 1952, and this property was valued at \$40,000 for inheritance tax purposes when the estate was settled on July 1, 1955.

Mr. Kennedy. That was July 1, 1955. That was when it was

valued at \$40,000?

Mr. Kohn. \$40,000.

Mr. Kennedy. And that is the property that was sold some 3 years later for \$1 million?

Mr. Kohn. Yes. An interesting thing about it is that the father's estate, when it passed on to the members of the family, there were no inheritance taxes paid of any kind to either the Federal or State Government because the valuations involved were just barely below the figures beyond which taxes must be paid.

Senator Curtis. Are we given to understand that the appraisement

was low or the sale price was too high?

Mr. Kohn. Well, sir——

Senator Curtis. There is quite a difference between \$40,000 and \$1 million.

Mr. Kohn. Twenty-five times as much as it had been valued for tax purposes. I might say that this detailed information was sent to the Internal Revenue Service for their examination into possible intent to evade taxation. The CHAIRMAN. How long ago?

Mr. Kohn. We just came upon this combination of factors within

the last couple of months.

The CHAIRMAN. It might be that the Internal Revenue can look into this properly, and it might be that we will get enough recovery out of that one transaction alone to help pay the expenses of this committee for a year.

Mr. Kennedy. Do you have some other examples of the assessed value as compared to the real value or the market value of this

property?

Mr. Kohn. Yes, Mr. Kennedy. There are some very interesting contrasts.

The Charman. The committee will stand in recess until 10:30 to-

morrow morning.

(Members of the select committee present at time of recess: Sena-

tors McClellan and Curtis.)

(Whereupon, at 4:55 p.m. the select committee recessed, to reconvene at 10:30 a.m., Tuesday, Mar. 24, 1959.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

TUESDAY, MARCH 24, 1959

U.S. SENATE. SELECT COMMITTEE ON IMPROPER ACTIVITIES, IN THE LABOR OR MANAGEMENT FIELD,

Washington, D.C.

The select committee met at 10:30 a.m., pursuant to Senate Resolution 44, agreed to February 2, 1959, in the caucus room of the Senate Office Building, Senator John L. McClellan (chairman of the Select Committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Sam J. Ervin, Jr., Democrat, North Carolina; Senator Karl E. Mundt, Republican, South Dakota; Senator Carl T. Curtis, Republican, Ne-

braska; Senator Homer E. Capehart, Republican, Indiana.

Also present: Robert F. Kennedy, chief counsel; Walter R. May, assistant counsel; John P. Constandy, assistant counsel; Arthur G. Kaplan, assistant counsel; Pierre E. G. Salinger, assistant counsel; Ruth Y. Watt, chief clerk.

The CHAIRMAN. The committee will come to order.

(Members of the select committee present at time of convening: Senators McClellan, Ervin and Capehart.)

The CHAIRMAN. Call the next witness.

Mr. Kennedy. Mr. Carlos Marcello. The CHAIRMAN. Be sworn, please.

You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Marcello, I do.

TESTIMONY OF CARLOS MARCELLO, ACCOMPANIED BY COUNSEL, JACK WASSERMAN

The CHAIRMAN. State your name, your place of residence, and your business or occupation, please.

Mr. Marcello. Carlos Marcello, 577 Woodbine, Jefferson Parish.

The CHAIRMAN. What is your occupation, please, sir?

Mr. MARCELLO. I decline to answer that on the ground it may intend to incriminate me.

The CHAIRMAN. On the ground it may "intend" to incriminate you?

Mr. Marcello. Yes, sir.

The CHAIRMAN. You have counsel, do you? Mr. Marcello. Yes, sir.

The CHAIRMAN. Mr. Counsel, identify yourself for the record, please.

Mr. Wasserman, Jack Wasserman, Warner Building, Washington,

D.C. I am a member of the bar of the District of Columbia.

Mr. Chairman, I have submitted some questions in the nature of cross-examination which I would like to be posed to Mr. Aaron Kohn before Mr. Marcello is questioned further. May I have a ruling on my request?

The Chairman. Yes, sir; you may.

The Chair has examined the questions, and the Chair wishes to ascertain to what extent counsel's client is going to cooperate with the committee. We are very happy to reciprocate, if we can get the cooperation from you, from your client, that we desire.

We would then be most happy to grant your request and interrogate,

or cross-examine, as you please to call it.

Mr. Wasserman. May I call the chairman's attention to the fact that no such condition is imposed pursuant to this committee's rules?

The CHAIRMAN. The Chair is making that condition. The question of whether we permit any cross-examination is in the discretion of the committee under the rules. I am most happy, I would just be delighted, to submit the cross-examination questions to the other witness if your client will cooperate with the committee.

Mr. Wasserman. Should not cross-examination logically follow the direct examination of a witness before another witness is called?

The Charman. Logically, yes; if it is going to be granted. But I haven't determined that I am going to grant it.

Mr. Wasserman. All right. I understand your position.

The CHAIRMAN. Have I made it clear?

Proceed, Mr. Counsel.

Mr. Kennedy. Mr. Marcello, could you tell the committee what your major source of income is at the present time?

Mr. Marcello. I decline to answer on the ground it may intend to

incriminate me.

Mr. Kennedy, Could you tell us whether you operate jukeboxes and pinball machines in the southern Louisiana area?

Mr. Marcello. I decline to answer on the same ground.

Mr. Kennedy. Have there been attempts to organize your employees by the International Brotherhood of Electrical Workers, Mr. Marcello?

Mr. Marcello. I decline to answer on the same ground.

Mr. Kennedy. Have there been any attempts by the Teamsters to organize your employees?

Mr. Marcello. I decline to answer on the same ground.

Mr. Kennedy. Do you have any financial arrangements, directly or indirectly, with Mr. William Coci, who is the present sheriff of Jefferson Parish?

Mr. Marcello. I decline to answer on the same ground.

Mr. Kennedy. Have there been any arrangements that have been made between you and the sheriff, and any other officials of government, to keep unionization out of Jefferson Parish?

Mr. Marcello. I decline to answer on the same ground.

Mr. Kennedy. Has there been any attempt between all of you to keep unionization out of the pinball and the coin machine business?

Mr. Marcello. I decline to answer on the same ground.

The Chairman. You better state your grounds occasionally because "the same ground" might get monotonous.

Proceed.

Mr. Kennedy. Mr. Marcello, you were born in Tunis, Africa, in 1910; is that right.

Mr. Marcello. I decline to answer on the same ground. Mr. Kennedy. And you have never been naturalized.

Could you tell us way it has been that you have been able to stay in this country even though you have been convicted twice of felonies?

Mr. Marcello. I decline to answer on the ground it may intend to

incriminate me.

Mr. Kennedy. Once in 1933 for robbery and once in 1937 for the sale of marijuana! Would you tell us about that!

Mr. Marcello. I decline to answer on the same ground.

Mr. Kennedy. Could you tell us how many coin machines you have at the present time?

Mr. Marcello. I decline to answer on the same ground.

Mr. Kennedy. Could you tell us why these pinball machines are allowed to operate as gambling machines even though gambling is illegal?

Mr. Marcello. I decline to answer on the ground it may intend

to incriminate me.

(At this point Senator Mundt entering the hearing room.)

Mr. Kennedy. According to the information we have, you are an associate of Mr. Frank Costello. Is that right?

Mr. Marcello. I decline to answer on the ground it may intend to

incriminate me.

Mr. Kennedy. Dandy Phil Kastel, also?

Mr. Marcello. I decline on the same ground.

Mr. Kennedy. Joe Cibello, of Dallas, Tex., who attended the meeting at Apalchin?

Mr. Marcello. I decline to answer on the same ground.

Mr. Kennedy. Sam Carollo, who was deported in 1947 as a narcotics trafficker?

Mr. Marcello. I decline to answer on the same ground.

Mr. Kennedy. Have you been in touch with him at all lately?

Mr. Marcello. I decline to answer on the ground it may intend to incriminate me.

Mr. Kennedy. Do you know Mr. Ralph J. Adams, who was appointed as deputy to Sheriff Coci in June of 1956?

Mr. Marcello. I decline to answer on the same ground.

Mr. Kennedy. Bonny Geigerman, do you know that, the brother-in-law of Frank Costello, who operates in New Orleans?

Mr. MARCELLO. I decline to answer on the ground it may intend to incriminate me.

Mr. Kennedy. According to our information, you are an associate of his.

Also, you have as a business partner Mr. Philip Smith, who is the Jefferson Parish attorney; is that correct?

Mr. Marcello. I decline to answer on the ground it may intend to incriminate me.

Mr. Kennedy. Did the Jefferson Parish deputy sheriffs assist you in getting locations?

Mr. Marcello. I decline to answer the question on the ground it may intend to incriminate me.

Mr. Kennedy. Have you been able to use law enforcement officials

to assist you in your businesses, Mr. Marcello?

Mr. Marcello. I decline to answer the question. It may intend to

Mr. Kennedy. What funds have you received from the Huey Discribiting Co.?

Mr. Marcello. I decline to answer the question. It may intend to

incriminate me.

Mr. Kennedy. In connection with law enforcement officials and your tie-in with the Jefferson Parish attorney, we have the information that a piece of property at 800 Baratari Boulevard was offered for sale for \$125,000 and yet the tax assessment that was put on there was \$8,000. Could you tell us how that happened?

Mr. MARCELLO. I decline to answer the question on the same ground. Mr. Kennedy. And the New Southport Club which you purchased in 1948 for \$160,000 had a tax assessment value of \$7,200. Would you

tell us how that happened?

Mr. Marcello. I decline to answer the question on the same grounds. Mr. Kennedy. And the Town and Country Motel, which was sold in 1958 for more than \$1 million, had a tax assessment value of \$17,500?

Mr. Marcello. I decline to answer on the same grounds.

Mr. Kennedy. Even though when it was originally constructed in 1953 it cost \$350,000, and other units have been added since that time. Can you explain that to us?

Mr. MARCELLO, I decline to answer on the same ground.
(At this point Senator Curtis entered the hearing room.)

Mr Kennedy. Do you dominate and control, Mr. Marcello, the coin machine business in Southern Louisiana?

Mr. Marcello. I decline to answer on the same ground.

Mr. Kennedy. And you are in many other businesses, the shrimp business, and real estate business, are you not?

Mr. Marcello. I decline to answer on the same grounds.

The Charman. May I ask you a few questions? Through your counsel you have at least requested that certain interrogations be made of the witness Mr. Kohn, who testified yesterday. I think some of these questions would be quite appropriate to ask him, and I am perfectly willing that he be asked these questions if you are willing to testify regarding the same subject matter. I note particularly the question: "to state whether, to your personal knowledge, Carlos Marcello, or his brother Vincent Marcello, were owners or employees of Huey Distributing Co. at the time of the episode described by Walter Richardson, alleging that two deputies demanded that he install jukeboxes owned by the Huey Distributing Co. If so, state the basis of your personal knowledge."

I will ask you to state whether you were, you or your brother, either or both of you were, at that time, a part owner in any sense of the

Huey Distributing Co.

(The witness conferred with his counsel.)

Mr. Marcello. I refuse to answer on the ground it may intend to incriminate me.

The CHARMAN. You don't want to testify. You want others to testify. You want to be fair and give this committee the information

within your knowledge, do you? And at the same time you ask us to get information that may be within the knowledge of other witnesses? Are you willing to tell the truth!

Mr. Marcello. I am willing to speak to my attorney at this time.

The CHARMAN. All right. Go ahead. (The witness conferred with his counsel.)

Mr. Marcello. Senator, can my attorney answer that question? The CHARMAN. No, sir. He is not under oath. I want to know if you will answer it. You are the one under oath.

(The witness conferred with his counsel.)

Mr. Marcello. Senator, I am willing to consider it after Mr. Kohn

answers these questions.

The Charman. You will have a long time to consider it as far as I am concerned, because I am not going to ask him these questions for your edification and information unless you are willing to cooperate with the committee and tell the committee what you know.

Mr. Marcello. Thank you, sir.

The Chairman. So we have an understanding about that. Now I will ask you the question: Were you at that time a part owner, you or your brother, a part owner, of the Huey Distributing Co.?

Mr. Marcello. I decline to answer on the ground it may intend to

The Chairman. According to the record we have you were a part owner, and you received from this Huey Distributing Co. in the year 1955, according to this information we have, \$12,286.75 income from that company. Do you deny it?

Mr. Marcello. I decline to answer the question. It may intend

to incriminate me.

The Chairman. For the year 1956, the information we have shows that you received \$4,683.84 income from that company. Do you deny it?

Mr. Marcello. I decline to answer on the same grounds.

The Chairman. And our information further shows that in 1957 you also received \$674.74 income from that company. Do you deny that?

Mr. Marcello. I decline to answer that on the same grounds.

The Chairman. This man Richardson who testified here yesterday said that he had some pinball machines, I believe they were—anyway, they were coin machines—in his place of business and he had them there for quite a long time, I believe. After this new sheriff was elected—what was his name; Coci? Is that his name? Anyway, after he went in his office about 2 months, they came out there and undertook to put pressure on him to change from the business arrangement he had had regarding his coinboxes, and told him that they would put pressure on him if he didn't. Was that pressure put on in order to make him change and get the boxes from a company in which you had an interest?

Mr. Marcello. I decline to answer on the ground it may intend to

incriminate me.

The Chairman. Did you enter into an agreement with the sheriff that he would use his law enforcement powers, through himself and his deputies, to force your equipment on these people who engaged in this business?

Mr. Marcello. I decline to answer on the same grounds.

The CHAIRMAN. And did you agree to pay him something for that arrangement?

Mr. Marcello. I decline to answer on the same grounds.

The CHAIRMAN. That needs a little reflection here. I don't want to do that sheriff any injustice. But here comes in a fellow—two of them, yesterday—who testified, one in particular, about him being raided, things done to insult his customers and humiliate them, simply because he would not change and get his equipment from a company in which, apparently, you were interested.

Now, then, you can't testify, you say, without possible self-incrimination about the incident. So that leaves reflection upon someone if there is something about it that you can't testify to without possible self-incrimination. Then I wonder if the sheriff is in the same situa-

tion. Wouldn't you at least clear his name, if it isn't true?

Mr. Marcello. I decline to answer on the ground it may intend to

incriminate me.

The CHARMAN. I want it to be borne in mind that the sheriff has been invited to be present. I don't know but what it may be necessary to subpena him. But I thought he would be willing to come. I thought you would be willing to say, "No, I didn't do any such thing as that," if it isn't true.

Do you still persist that you can't answer any of these questions

without the possibility of self-incrimination?

Mr. Marcello. Yes, Senator.

The CHAIRMAN. I have asked you here two or three of the very questions you want to ask somebody else. If you wouldn't answer, why do you expect someone else to answer, or why do you think this committee ought to require them to answer?

Mr. Marcello. Because they made the statement.

The Chairman. Well, they made the statement. Do you deny it? Do you deny the truthfulness of the statement?

(The witness conferred with his counsel.)

Mr. Marcello. I refuse to answer on the ground it may intend to incriminate me.

Senator Curtis. Mr. Chairman? The Chairman. Senator Curtis.

Senator Curtis. How long have you lived in the United States?

Mr. Marcello. Forty-eight years.

Senator Curtis. Where were you born?

Mr. Marcello. I refuse to answer on the ground it may intend to incriminate me.

Senator Curris. Are you more than 48 years old?

Mr. Marcello. I refuse to answer on the same grounds.

Senator Curris. You haven't lived all your life in the United States, have you?

Mr. Marcello. I decline to answer on the ground it may intend to neriminate me.

Senator Curtis. Are you a citizen of the United States? Mr. Marcello. I decline to answer on the same ground.

Senator Curris. If you were a citizen, would that incriminate you?

Mr. Marcello. I decline to answer on the same ground.

Senator Curtis. The fact is you have been here 48 years and you have never sought to become naturalized. Isn't that true?

Mr. Marcello. I decline to answer on the same grounds.

Senator Curris. Do you realize that you are claiming a privilege under the Constitution of the United States, a charter of our liberty, and still you haven't ever sought to assume the responsibilities of citizenship? Isn't that correct?

Mr. Marcello. Senator, my attorney could answer that question. Senator Curtis. No, I want you to answer it. Have you ever sought citizenship!

Mr. Marcello. I decline to answer the question.

Senator Curris. Have you always paid your just share of taxes to support the Government?

Mr. Marcello. I decline to answer that on the ground it may tend to

incriminate me.

Senator Curris. If you have always reported your full income and disclosed all of your property for local assessment, how could that incriminate you?

Mr. Marcello. I decline to answer on the same grounds.

Senator Curtis. I think this committee should take note of the fact of how you cling to the Constitution of the United States. You have that right. It is a basic charter of human liberty. But the other side of the ledger you have paid no attention to at all.

That is all, Mr. Chairman.

The Chairman. Are there any questions?

Mr. Kennedy. Yes, Mr. Chairman.

On the question of the Huey Distributing Co., as the income from that declined, according to the information that we have, he first had the income in the Jefferson Music Co., about which we had testimony yesterday which increased. For instance, in 1954, according to the information we have, he had an income of some \$9,000; then in 1955, it went up to \$17,000; in 1956, it went up to \$23,000; in 1957, to over \$46,000 from that one source.

The Chairman. What is the source of that?
Mr. Kennedy. The Jefferson Music Co., which is the company that

distributes these juke boxes.

The Chairman. You have heard the statement of counsel regarding the information the committee has with respect to your income from that source.

Do you wish to deny it?

Mr. Marcello. I decline to answer on the ground it may intend to incriminate me, Senator.

The Chairman. If our records are incorrect, will you help us and

get them corrected, set the record straight? (The witness conferred with his counsel.)

Mr. Marcello. I decline to answer on the ground it may intend

to incriminate me.

The Chairman. Do you honestly believe that if you answered that question truthfully, that a truthful answer might tend to incriminate you? Do you honestly believe that?

Mr. Marcello. I decline to answer that, Senator.

The Chairman. You are ordered, with the permission of the committee, the Chair orders and directs you to answer the question.

Mr. Marcello. I decline to answer on the grounds it may intend

to incriminate me.

The Charman. That order and direction will continue.

I will ask you this question specifically again: According to the information the committee has, and this is another question, you received \$12,286.75 in 1955; \$3,683.84 in 1956; and \$674.74 in 1957, from the Huey Distributing Co.

Is that information correct?

(The witness conferred with his counsel.)

Mr. Marcello. I decline to answer the question, Senator, on the

ground it may intend to incriminate me.

The CHAIRMAN. Do you honestly believe that if you answered the question truthfully, that a truthful answer thereto might tend to incriminate you?

Mr. Marcello. I decline to answer on the ground it may intend

to incriminate me.

The CHAIRMAN. The Chair, with the approval of the committee, orders and directs you to answer the question of whether you honestly believe that if you gave a truthful answer to the question, that a truthful answer thereto might tend to incriminate you.

Mr. Marcello. Can I consult my attorney, Senator?

The CHAIRMAN. Yes.

(The witness conferred with his counsel.)

Mr. Marcello. Yes, Senator.

The CHAIRMAN. Thank you. I got one answer.

Mr. Kennedy. Mr. Marcello, has there been any testimony that has been given here before the committee in connection with you that you wish to deny?

Mr. Marcello. I decline to answer the question on the ground it

may intend to incriminate me.

Mr. Kennedy. Has any testimony been given to the committee in connection with your activities which has not been true or accurate?

Mr. Marcello. I decline to answer on the ground it may intend to

incriminate me.

The CHAIRMAN. Are you a member of the Mafia?

Mr. Marcello. I decline to answer on the ground it may intend to incriminate me.

The Charman. You wouldn't even deny that? Is that right?

Mr. Marcello. I decline to answer on the same grounds.

Mr. Kennedy. Do you know Nelson Barrios?

Mr. Marcello. I decline to answer on the same grounds.

Mr. Kennedy. Do you know anything about the American Transit Corp. of Missouri?

Mr. Marcello. I decline to answer on the same grounds.

Mr. Kennedy. Do you know Mr. D. J. Giacomo?

Mr. Marcello. 1 decline to answer on the same grounds. Mr. Kennedy. That is all.

Senator Mundt. Mr. Chairman? The Chairman. Senator Mundt.

Senator Mundr. Mr. Marcello, I have been intrigued by listening to your record as you have written it into these hearings by failing to deny very serious allegations against you, and have been impressed by the point Senator Curtis emphasized, that you are an alien. You have never been naturalized. You have apparently been involved in a whole series of crimes. You have been given a chance to purge the record and clear it and deny them, but you have taken the fifth amendment, which is virtually tantamount, I am sure, in the public mind,

to admitting the charges.

I would like to ask you this: This committee, a part of it at least, is comprised of four members of the Committee on Government Operations, which is charged with checking the efficiency of operations of the executive branch of the Federal Government. I am curious to know whether or not the Federal Government is meeting its obligation in your connection.

I would like to ask you this question: Has the Federal Government, the Attorney General's office, instituted deportation proceedings

against you?

(The witness conferred with his counsel.)

Mr. Marcello. Yes.

Senator MUNDT. They have.

That is all.

Senator Ervin. Mr. Chairman, on that point I have an observation. According to the information in the possession of the committee, 5 years, 9 months, and 24 days ago, an order for the deportation of this—I started to say witness, but since he has given no testimony I will say this person—this person was entered.

I would like to know how you have managed to stay in the United States for 5 years, 9 months, and 24 days after you were found ordered

deported as an undesirable person.

Can you give me any information on that point?

(The witness conferred with his counsel.)

Mr. Marcello. My attorney has the information, Senator. Senator Ervin. Don't you have the information yourself?

Mr. Marcello. Well, he is my attorney in the deportation case, Senator.

Senator Envin. I am asking you. You see, your attorney is not under oath, and he didn't come here to testify.

Mr. Marcello. Yes, sir.

Senator Ervin. He came here to protect your legal rights but not to testify.

(The witness conferred with his counsel.)

Senator Ervin. I would like to know how a man can manage to stay, a man who has been convicted of two felonies of such a serious nature as robbery and the sale of marihuana; how a man with that kind of a record can stay in the United States for 5 years, 9 months, 24 days after he is found to be an undesirable alien.

How have you managed to stay here?

Mr. Marcello. Senator, not being an attorney, my attorney could answer that question.

Senator Ervin. Well, your attorney is not a witness.

Mr. Marcello. I wouldn't know.

Senator Ervin. Well, I am just curious. The American people are entitled to more protection at the hands of the law than to have an undesirable alien who has committed serious felonies remain in this country for 5 years, 9 months, 24 days after he is ordered deported. That certainly is an illustration of the fact that justice travels on leadened feet if it travels at all.

I don't know whether it is the fault of the administrative officers or the fault of the Department of Justice, or the fault of the Congress in not enacting laws under which more speedy action can be taken. But it seems to me that the American people's patience ought to run out on this proposition, and that those who have no claim to any right to remain in America, who come here and prey like leeches upon lawabiding people of the country, ought to be removed from this country. It is bad enough to have to harbor our own self-raised, home-grown variety of racketeers. But to have them come in from other areas—it seems to me it is about time to put an end to it.

The Chairman. Are there any further questions?

Senator Mundt. Mr. Chairman, I certainly share the curiosity expressed by Senator Ervin as to why a clear-cut case like this has not resulted in deportation of Mr. Marcello. To have aliens come here and engage in crimes of that kind and then cringe successfully behind the fifth amendment in order to slow down the processes of judgment, is a very sickening anomaly.

I would suggest, because of the implications made by Senator Ervin, and I do not object to it, that among the reasons why this deportation proceeding is not moved is the conceivable possibility that the Department of Justice has been lethargic in its activity. He did not make that, I am sure, as a charge, but listed it as one of the pos-

sible reasons, which it surely is.

I would suggest that the Chair direct a letter to the Attorney General inquiring as to why this deportation has not been implemented, and that the Attorney General's letter be made a part of the record

when he replies.

Senator Ervin. I think probably part of the responsibility rests on Congress, because I understand that Congress has thus far failed to enact any law under which an alien ordered deported can have one day in court to confine him to one opportunity to be heard, and to continue with writs of habeas corpus, one after another, without limitation. I lay that blame on Congress.

Senator Munder. I think the Senator is exactly correct. Because this is a committee, after all, interested in developing legislative remedies, I suggest that we write to the Attorney General a letter, so that he could write back and tell us precisely why in the instant

case the Department of Justice has not moved.

It may be illuminating when we come to meeting our legislative responsibility. I recognize that the Senator was not implying any criticism of the Department of Justice, but listing it as one of the conceivable reasons. I think we should have the record complete and public on this point.

An exchange of letters should disclose the fault, wherever it lies. If it is the fault of Congress, I hope before this session adjourns we

can correct such a glaring loophole in the law. Senator Curris, Mr. Chairman——

The CHAIRMAN. Senator Curtis?

Senator Curris. Information has come to me, Mr. Marcello, that you have resorted to the courts, appealing from orders in the neighborhood of 35 times. Is that correct?

(The witness conferred with his counsel.)

Mr. Marcello. Senator, the only one who knows that is my attorney.

Senator Curtis. You cannot count to 35?

Mr. Marcello. No, sir, I couldn't count that many times that we have been in court.

Senator Curtis. Is it true that you have a legal action pending in

Italy now?

Mr. Marcello. Yes.

Senator Curtis. To resist the issuance of a passport on the ground of lacking of proof that you are a citizen of Italy?

(The witness conferred with his counsel.)

Mr. Marcello. Senator, I do not know the details of it.

Senator Curtis. How much money have you spent in resisting deportation?

Mr. Marcello. I decline to answer the question because it may

intend to incriminate me.

Senator Curtis. It has been American money, too, has it not?

Mr. Marcello. I decline to answer on the same ground.

Senator Curtis. I notice your great fondness for American money, American protection to individual rights. But you say to tell us whether or not you have paid all your taxes would incriminate you.

I think you ought to pack up your bags and voluntarily depart.

That is all, Mr. Chairman.

Senator Ervin. Mr. Chairman, I wouldn't mind—he says his counsel is willing to explain how he stays here 5 years, 9 months, 24 days after the order of deportation is in. I wouldn't mind his counsel explaining. I would like to know what Congress ought to do about it, to prevent a repetition of such things.

The Chairman. It couldn't be accepted as proof unless he is sworn. Do you want him sworn or do you want him to make a general state-

ment?

Senator Ervin. I would like to have a general statement. If there

is something we can do about it, I would like to see it done.

The CHAIRMAN. The statement may be made. It will be brief. It will not be regarded as evidence, but only as a comment from counsel for the information of the members of the committee.

All right, Mr. Counsel, do you want to make any statement about how you are able to keep this man from going back to Italy for such a

long period of time?

Mr. Wasserman. Initially, a habeas corpus action was brought, testing the constitutionality of the act under which he was ordered deported. He was ordered deported under a retroactive provision of the McCarran-Walter Act, and that particular provision was attacked on the ground that it was ex post facto. It went up to the Supreme Court and the Supreme Court held the constitutionality of the act by a divided vote. Thereafter, the Immigration authorities unlawfully attempted to deport him to Italy without first attempting to ascertain whether he could be deported to France, which was the place that he designated as the place of deportation.

In that litigation, Mr. Marcello was sustained in the courts on the ground that Immigration had proceeded illegally. Thereafter, he claimed that he would be persecuted if deported to Italy, and that he had not had a fair administrative hearing in connection with that

phase of his case.

The Immigration authorities resisted that, and one of the appellate courts directed that a rehearing be held on that point, apparently on

the ground that he had not been accorded fair procedures. That rehearing has been held and it is still pending administratively.

That is the situation in brief. I have never counted the number of times I have filed a paper in court or a motion in court. I know there have been maybe three or four, maybe five, actions in court. We have never resorted to the courts 37 or 35 times, as the newspapers seem to have stated. I assume that when Mr. Kohn made that statement yesterday, he was just repeating newspaper talk.

Senator Ervin. How long has this last administrative proceeding

been pending to determine whether he had a fair hearing?

Mr. Wasserman. No, that issue went into the court. The court disposed of it and it is now back administratively.

Senator Ervin. How long has it been there?

Mr. Wasserman. We had a hearing in December, and the matter is still pending. I am just speaking from recollection. I don't have

any of my notes here or my files here.

Senator Ervin. In other words, what you have stated would indicate to me that Congress ought to pass a statute saying that when a deportation proceeding is brought, that a man has to set up all of his claims at one time, or forever be foreclosed from setting them up later.

Mr. Wasserman. No, Senator. I think the first thing you should do is to tell the Immigration authorities to conduct all the administrative proceedings at one time. They are the ones who break it up in separate parts. They make you pay additional fees each time you go to the separate types of remedies, and then you have separate court proceedings for each type of application that is involved.

If it could be bundled together and streamlined administratively, I think you would go a long way to saving the Government money

and saving the alien money as well.

Senator Ervin. I agree with you in that. The proceeding should

be to pass on all possible issues once and for all.

Mr. Wasserman. You see what happens: You have a deportation proceeding. Then you have a separate proceeding asking for a stay of deportation. It is entirely separate. If you go in to attack the deportation order, you cannot attack the fairness of your application that you might be persecuted if deported, or in connection with the stay of deportation.

Those are two separate applications, two separate fees have to be paid. That is why you have to have two separate lawsuits. There is nothing in the present bill for judicial review which you are referring

to that would even remedy that situation.

The initial way to attack this is administratively, to streamline the administrative proceeding.

Senator Ervin. Thank you.

Senator Munder. Are you telling us that under the present law the deportation authorities, if they so decided, could present this as a single package as you have recommended, or does the law have to be changed?

Mr. Wasserman. The law does not have to be changed. It can be

done administratively without any change in the law.

Senator MUNDT. It could be done now?

Mr. Wasserman, Yes, sir.

Senator Ervin. The present law permits any number of habeas corpus writs to be applied for, doesn't it!

Mr. Wasserman. Well, you can't change that, Senator.

Senator Ervin. Laws of that nature have been changed in many States. In my State, a person, in order to apply for a writ of habeas corpus, has to file a petition saying whether he has ever applied for a writ on any previous occasion.

Mr. Wasserman. Yes, sir.

Senator Ervin. You can take and provide by law that any issue that arises on the habeas corpus proceeding, which is once determined, as to all times from then on and into the past is determined forever.

Mr. Wasserman. Well, I have some doubts about that. As the Senator will know, you cannot suspend the writ of habeas corpus under

the Constitution.

Senator Ervin. You can't suspend it, but you can provide just exactly how it is going to be exercised, and you don't have to put up with a dilatory system under which a new writ can be applied for

every day.

Mr. Wasserman. That is correct. As a matter of fact, under the rules of some of the courts, in particularly I know under the rules of the southern district of New York, you must allege in your habeas corpus application whether or not you have previously applied for a writ. But I can assure you, Senator, in every instance that we went into court in the case of Carlos Marcello, we had justification, and it was done in good faith and at no time was it done for the purpose of delay.

Senator Envin. I don't blame attorneys for doing things for the purpose of delay, if a legislative body allows a law to exist which permits such delay. I don't blame an attorney for resorting to everything in the interest of his client, but I would say that Congress

should step in.

In North Carolina we have a statute that if you apply for a ruling on a writ of habeas corpus, it is res adjudicate as to the question of any ground of illegality that is adjudicated on in the first instance. That ought to be the Federal law, too. That is my opinion.

The CHAIRMAN. The witness may stand aside subject to being re-

called during the day.

Call the next witness.

Mr. Kennedy. Mr. Chairman, we are going into a different matter at this time. I would like to call Mr. Sherry as a witness.

The Chairman. Mr. Sherry, come forward.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Sherry. I do.

TESTIMONY OF HAL SHERRY

The Chairman. State your name, your place of residence, and your business or occupation, Mr. Sherry.

Mr. Sherry. My name is Hal Sherry. I live in Alhambra, a suburb

of Los Angeles, Calif. I am now in the real estate business.

The Chairman. You waive counsel, do you?

Mr. Sherry. I do, sir.

The CHAIRMAN. Proceed.

Mr. Kennedy. Mr. Sherry, you were involved in local 1052 of the IBEW?

Mr. Sherry. Yes, sir.

Mr. Kennedy. And that occurred back in 1946?

Mr. Sherry. Yes, sir.

Mr. Kennedy. That is when you originally entered into that; is that right?

Mr. Sherry. Yes, sir.

Mr. Kennedy. You were invited, were you not, to attend a meeting of an association of operators of jukeboxes?

Mr. Sherry. I was, sir.

Mr. Kennedy. Called the Southern California Music Operators Association; is that right?

Mr. Sherry. Yes, sir.

Mr. Kennedy. What is that called? Mr. Sherry. That is called SCMOA.

Mr. Kennedy. For what reason did they invite you to attend? Were you in the jukebox business yourself at that time?

Mr. Sherry. No, sir. I was manufacturing radios; coin-operated

radios.

Mr. Kennedy. But you had done some organizing for the Machinists Union during the war?

Mr. Sherry. That is right.

Mr. Kennedy. And at that time the association members felt they were having some difficulties as far as cutrate competition was concerned?

Mr. Sherry. That is right. They called me in to organize and a

charter was issued.

Mr. Kennedy. So they wanted you to organize a union?

Mr. SHERRY. They did, sir.

Mr. Kennedy. And they made arrangements, or arrangements were made for a charter to be issued?

Mr. Sherry. Yes, sir.

Mr. Kennedy. Arrangements were made with the International Brotherhood of Electrical Workers?

Mr. Sherry. Yes, sir.

Mr. Kennedy. Did an international organizer from the union come

out to help organize it?

Mr. Sherry. Yes. It was done in this manner. There were a few operators, possibly 20 or 25, who belonged to Local 11, IBEW, International Brotherhood of Electrical Workers, and they felt they were not having their grievances processed properly.

So an international representative was invited out to sit in at one of the meetings. He sat in at the meeting, and shortly thereafter a charter was issued to local 1052 for the coin-machine industry in

southern California.

Mr. Kennedy. The primary purpose at that time was to protect the locations of the various operators; is that right?

Mr. Sherry, Yes.

Mr. Kennedy. They had an agreement amongst themselves that they would not jump one another's location?

Mr. Sherry. Yes.

Mr. Kennedy. The union was set up and established in order to protect these locations; is that right?

Mr. Sherry. Yes, sir.

Mr. Kennedy. The union was going to place a picket line in front of a tavern where a group which was not a member of the association, therefore not a member of the union, came in and tried to take a location?

Mr. Sherry. Yes, sir; for the label.

Senator Curtis. Would you yield at that point?

Who belonged to the union?

Mr. Sherry. You had both servicemen and the owner-operators themselves. They worked on machines and were mechanics, they belonged to the union. If they were owners and did not work on them, they did not belong.

Senator Curtis. If they owned the place of business—

Mr. Sherry. No, sir; if they owned the machines, not the place of business.

Senator Curtis. Suppose they owned both the machine and the

place of business?

Mr. Sherry. Then, if such occurred, which was not too often, a serviceman would give them service at so much per month. As a rule, it was \$7.50 per month. They had to display—that is a harsh word, "had to"—we asked them to display a union label.

(At this point Senator Mundt left the hearing room.)

Senator Curtis. Did you compel the owners to join the union?

Mr. Sherry. Which owners are you referring to? Senator Curtis. The owners of the machine.

Mr. Sherry. No, sir; we asked them to put a label on. They couldn't join if they wanted to. We couldn't let them join.

Senator Curtis. Do you mean to say that no one joined except they

were employees?

Mr. Sherry. No, sir; we had owner-operators of machines who joined. We had mechanics who joined, but a man who owned a tavern and owned his machine, he couldn't join.

Senator Curtis. Is it true that you required an individual who owned his own machine and serviced it himself to join the union?

Mr. Sherry. Yes, sir.

Senator Curtis. Even though he had no employees?

Mr. Sherry. Yes, sir; regardless.

Mr. Kennedy. I think you recognize, looking back on it, that it was probably an improper way to handle this.

Mr. Sherry. Very much so.

Mr. Kennedy. Finishing up with a person who owned his own machine, what he would have to do is he would have to pay for a label for the machine each month?

Mr. Sherry. Yes, sir.

Mr. Kennedy. So he would have to pay maybe \$7.50 to the man who serviced the machine?

Mr. Sherry. To the serviceman.

Mr. Kennedy. And which was for the permission to have a label on the machine?

Mr. Sherry. Yes, sir.

Mr. Kennedy. If he didn't have a label on the machine, he couldn't get service?

Mr. Sherry. That is right. But we also tried to stop his deliveries

if he didn't have a label on it.

Mr. Kennedy. That was even a person who owned his own machine?

Mr. Sherry. Yes, sir.

Mr. Kennedy. In order to finance this union, you sold these labels generally?

Mr. Sherry. Yes; we did.

Mr. Kennedy. You didn't have enough members in the union to finance the union, to finance the pickets, so you would sell these labels?

Mr. SHERRY. That is right.

Mr. Kennedy. All the operators, in order to get the servicing, this help and assistance from the union, had to have a label on their machines?

Mr. Sherry. Yes, sir; they did.

Mr. Kennedy. Originally they would get fewer labels than they had machines?

Mr. Sherry. They would tear them in four pieces and put them on four machines.

Mr. Kennedy. Just put them on a few machines?

Mr. Sherry. That is right.

Mr. Kennedy. But then you wised up to that so you made them submit a list of their locations?

Mr. Sherry. Yes, sir.

Mr. Kennedy. Therefore, they would have to have labels on all their machines?

Mr. Sherry. Yes, sir.

Mr. Kennedy. How much did you charge for the labels?

Mr. Sherry. Twenty-five cents per label per quarter, and then we raised it to 10 cents per label per quarter. In other words, the label covered 3 months.

Mr. Kennedy. When the union was originally set up, the association members and the union members were one and the same?

Mr. Sherry. They were, sir.

Mr. Kennedy. It was at the same meeting that the officers for the association were selected as the officers for the union were selected?

Mr. Sherry. No, sir. The officers for the union were selected via

an election that was held by the international man.

To begin with, before local 1052 was established, that is true. The people in Local 11, 1BEW, were also the powers that were in the SCMOA.

Mr. Kennedy. But if the meeting was not one and the same, the individuals who made up the association, the employers, were the same as the people who made up the union?

Mr. Sherry. Yes, sir.

Mr. Kennedy. And you were then elected as the leader?

Mr. Sherry. Yes, sir.

Mr. Kennedy. What was your official position?

Mr. Sherry. Business manager.

Mr. Kennedy. So you were the one who operated, who made this whole arrangement?

Mr. Sherry. I did.

Mr. Kennedy. As you say, looking back on it now, you feel it was an improper way to handle the labor-management relations?

Mr. Sherry. Improper.

Mr. Kennedy. The local actually stopped selling labels in about February of 1952 because the Los Angeles Central Labor Council brought pressure to bear and refused to recognize the picket line; is that right?

Mr. Sherry. Right, sir.

Mr. Kennedy. There are situations I want to discuss with you. There were attempts, were there not, of hoodlums and gangsters to take over this union?

Mr. Sherry. Yes, sir.

(At this point Senator Mundt left the hearing room.) Mr. Kennedy. I would like to discuss some of those.

You had some relationship with a man by the name of Sugar Joe Peskin?

Mr. Sherry. Yes, sir.

Mr. Kennedy. Mr. Chairman, we are going to be discussing some people now. Their names appear on this mineographed sheet, which might be of help and assistance to the committee in following the hearing.

The Chairman. I believe these have already been distributed to

he press.

Mr. Kennedy. Can we have it made an exhibit?

The Chairman. It will be exhibit No. 64 for reference.

(List referred to was marked "Exhibit No. 64" for reference, and

may be found in the files of the select committee.)

The CHAIRMAN. I understand that the fact that a person's name is on here does not mean that there is something derogatory to be testified to about him, but it is simply an aid in identifying him if his name is mentioned.

Mr. Kennedy. Yes, sir.

The CHAIRMAN. All right.

Mr. Kennedy. I would like to discuss with you the four incidents in connection with gangsters and hoodlums to take over this industry through your union. One of the first was an effort made by Sugar Joe Peskin; is that right?

Mr. Sherry. Yes, sir.

Mr. Kennedy. Did you know who he was? Mr. Sherry. Not at the time; I did later.

Mr. Kennedy. Tell us what contacts you had with him?

Mr. Sherry. Well, shortly after the local union was granted the charter—when I say "shortly," Mr. Kennedy, I am not sure whether it was 2, 3, 5, or 6 months—but along about that period a man came to us and introduced himself as Joe Peskin, that he was from Chicago. He represented AMI or had AMI machines—that is a better way to put it. He wanted to join the union.

He stated he was going to operate in the Los Angeles metropolitan area to begin with, and then spread out. We were to take him into the union, and each one of our union members were to pledge to buy so many AMI's per month. We didn't take him in. At least, I told

him---

The CHAIRMAN. What is AMI?

Mr. Sherry. That is a music machine, a coin-operated jukebox.

That is one of the manufacturers.

Mr. Kennedy. Did he attempt to put pressure on you at that time? Mr. Sherry. Yes, sir. Mr. Kennedy, there were two separate little meetings with Joe Peskin. He came in first of all to me and made his proposition, and we turned it down. At least I turned it down. So he insisted upon meeting with the executive board. A meeting was set up. He came in to the executive board. He stayed about 8 minutes.

Once again he gave them an ultimatum that they would buy these machines, and the ultimatum was that if they didn't, and if we didn't permit him to join the union, he would really create havoc in our territory, what we considered our territory.

Mr. Kennedy. Did you find out then anything about Sugar Joe

Peskin?

Mr. Sherry. Yes. The executive board members then told me who he was, that he had been in Chicago.

Mr. Kennedy. May I just give a little of his background, Mr.

Chairman

The CHAIRMAN. Who did they tell you he was, first?

Mr. Sherry. They told me he was the man that furnished the sugar to Capone during the prohibition era.

Mr. Kennedy. That is how he got the name Sugar Joe.

Mr. Sherry. That is right.

Mr. Kennedy. In 1923 he was arrested, convicted and sentenced to 20 days in jail for the possession and sale of liquors. In February 1931 he was charged with violation of the National Prohibition Act.

On February 16, 1933, he was indicted for possessing and manufacturing intoxicating liquors. Dispositions of both of these cases are unknown. During prohibition he was a wholesale grocer doing business as the J. P. Food Distributors, Inc., of Chicago. He sold over \$1 million worth of corn sugar to the alcohol stills belonging to the Al Capone mob. It was from this activity that he gained the name of Sugar Joe.

He later owned the Universal Automatic Music Co., a jukebox operator, and became a power in the Illinois Phonograph Owners Association, which acted in collusion with Local 134 of the IBEW, which we developed during the course of the hearings that we have

held earlier.

In 1941 he was arrested in connection with the beating of a former employee who attempted to start his own business. It was a jukebox business. This employee tried to start his own jukebox business. Peskin stated to the court at that time, "Judge, if I did, I'd tell you. This thing is burn publicity for me and no good for the industry. These men worked for me and did take some jukebox spots away from me. This is not allowed by the union, and with the union's help I have gotten all but 5 of the 50 spots they took," indicating the situation as far back as the early 1940's.

In the summer of 1948 accompanied by Greasy Thumb Guzik's son-in-law, Frank Barnett, Peskin went to Los Angeles. On August 1, 1948, he formed the J. Peskin Distributing Co. at 2663-67 West Pico Boulevard, franchised distributor for the AMI jukeboxes in

California and Nevada.

The CHAIRMAN. Did you know about that?

Mr. Sherry. I knew his address was up on Pico. I didn't know exactly where it was.

The Chairman. You knew he formed that company, did you?

Mr. Sherry. No, I didn't know any particular company, Senator. The Chairman. But you knew he was representing this distributing agency?

Mr. Sherry. Yes, sir, I knew he was representing them, because he insisted we take AMI's, so he must have been representing them.

Mr. Kennedy. Once again, Mr. Chairman, it shows the big companies using people with these criminal backgrounds in order to get their machines distributed.

What was the final disposition of that? When you wouldn't let

him in there, he tied up with the Teamsters Union?

Mr. Sherry. Yes, sir. You see, he appeared with a man by the name of Jaffe at the Board.

Mr. Kennedy. What is Jaffe's first name?

Mr. Sherry. I don't know.

Mr. Kennedy. J-a-f-f-e, a former strongarm man for the Chicago Tavern Association, Mr. Chairman, who also came out of Chicago, and

who has a police record.

Mr. Sherry. At any rate, we turned him down. We didn't accept him. So he went over and joined the Teamsters. When he joined the Teamsters, they began to raid all of the IBEW locations, so we put pickets on the Teamsters building.

Mr. Kennedy. What Teamster union was that?

Mr. Sherry. 396 of the International Brotherhood of Teamsters, run by Frank Matula, Jr. He was in the Teamster building with all the other Teamster locals, and we placed pickets on their building and kept them there for 9 months.

Mr. Kennedy. How did that picketing go? Was that successful?

Mr. Sherry. No, sir. We ran out of money.

Mr. Kennedy. How did it go at the beginning? What kind of pickets did you have?

Mr. Sherry. We put 21 men on.

Mr. Kennedy. This is when you were picketing the Teamsters

headquarters?

Mr. Sherry. The Teamsters headquarters. We put 21 men on the first day. The next day the Teamsters put an equal number in behind each one of our pickets with spikes in their shoes. They ripped our men's legs and sent most of them to the hospital. So we replaced those in a short time with girls. We put a lot of girls on. Then they dated the girls on and took them out to lunch until finally we ended up with ladies 55 to 60. We kept them on and they didn't bother them. They didn't take them to lunch.

Mr. Kennedy. So that was successful?

Mr. Sherry. No, it was not.

Mr. Kennedy. At least you were able to keep your pickets on the picket line.

Mr. Sherry. Yes, sir.

Mr. Kennedy. And that went on for some 9 months?

Mr. Sherry. Nine months, yes, sir.

Mr. Kennedy. Then you ran out of money?

Mr. Sherry. That is right.

Mr. Kennedy. So local 396 then took over?

Mr. Sherry. That is right.

Mr. Kennedy. Mr. Chairman, we have already had testimony regarding the activities of Mr. Frank Matula, Mr. Matula being the one who controlled the cartage industry in the Los Angeles area on behalf of certain selected cartage companies.

He was the one who had made this arrangement with Peskin back

in 1948 in connection with the juke boxes.

Mr. Sherry. That is right; yes, sir.
Mr. Kennedy How long did Peskin stay out there, or remain in California?

Mr. Sherry. I don't know, Mr. Kennedy, sincerely how long he did stay. We had plenty of troubles of our own in the union and we weren't watching Peskin.

Mr. Kennedy. Was there any other attempt to take over your

union?

Mr. Sherry. Yes. There was an attempt one time when six men walked into the union office, and pulled a .45, and told me that Mickey Cohen had said that he was taking over, I was to step out of the union.

Mr. Kennedy. What did you say?

Mr. Sherry. Well, I was sick, so it didn't matter much one way or another to me. So I told him to use the gun. But they didn't. I didn't hear any more about them.

Mr. Kennedy. They just walked in and said that?

Mr. Sherry. That is right, sir.

Mr. Kennedy. And you said you refused to give up your position,

to go ahead and shoot you?

Mr. Sherry. That is right, I did, Mr. Kennedy. But it is also equally true that many times when things are done in Los Angeles, if someone wants to impress you, they will say it is from Mickey Cohen, whether it is or not.

Mr. Kennedy. You don't know personally?

Mr. Sherry. No, sir.

Mr. Kennedy. You had no direct connection with Mr. Mickey Cohen

Mr. Sherry. No, sir, I did not. I didn't meet him until yesterday

in the corridor here.

Mr. Kennedy. Was his name used at another time?

Mr. Sherry. Yes, his name was used at another time. We had several cases in court against the Teamsters. Once again it was money troubles. We couldn't maintain an attorney. So a Jack Fox contacted me, and would arrange for us to get a good attorney, a fellow by the name of Glen Lane, attorney in Los Angeles.

Mr. Kennedy. Jack Fox also came out of Chicago, did he not?

Mr. Sherry. Yes, he told me he came from Chicago.

Mr. Kennedy. Had you understood, or did you learn later, that he was a member of the syndicate in Chicago?

Mr. Sherry. I don't know about a syndicate part, but he told us

that he was connected with the delicatessen people in Chicago.

Mr. Kennedy. I am talking about the underworld figures in Chicago. Did he tell you or indicate to you that he had been connected with some of the people who were remnants of the Al Capone group?

Mr. Sherry. Not only to me, but he made the statement to the entire

membership, to impress them.

Mr. Kennedy. That he had these contacts and connections?

Mr. Sherry. Yes.

Mr. Kennedy. What did he tell you specifically about the delicatessen?

Mr. Sherry. That he could show us how to organize it the way they did the delicatessen people there, a pipe wrapped in a newspaper.

Mr. Kennedy. That is the way they operated in Chicago?

Mr. Sherry. Evidently. That statement was made publicly to the

membership.

Mr. Kennedy. And he said that he could employ the same methods for organizing for you in the Los Angeles area?

Mr. Sherry. That is right.

Mr. Kennedy. What was your answer to that?

Mr. Sherry. Well, we didn't go for the organizing, but he brought a man by the name of Larry DiCaro. It was a package deal to us. Larry DiCaro was to go out and organize for us, bring us in members, and at the same time he would get us Glen Lane to fight the Teamsters in court.

Mr. Kennedy. He would get who?

Mr. Sherry. Glen Lane.

Mr. Kennedy. Who is Glen Lane?

Mr. Sherry. Glen Lane is an attorney in Los Angeles. He was taking our cases into court. We had three or four of them there. It wound up with Jack Fox staying in the office there for 2 or 3 weeks, and it finally wound up in this way: That Mr. Lane, supposedly, had made the statement, and that had come supposedly from Mickey Cohen at a pool conference, a swimming pool conference.

Mr. Kennedy. You are going to have to explain that a little bit. When Fox came in, and offered this sort of package deal, he was

going to give you Larry DiCaro and put him on the payroll?

Mr. Sherry. That is right.

Mr. Kennedy. And Larry DiCaro was put on the payroll?

Mr. Sherry. He was.

Mr. Kennedy. He had a number of underworld connections, did he not?

Mr. Sherry. Yes.

Mr. Kennedy. In fact, he was an associate of Sica?

Mr. Sherry. That we didn't know, sir, and I didn't know it until this minute.

Mr. Kennedy. The package deal was Larry DiCaro going on the payroll. Then you had this lawyer who was going to be able to arrange for you to win these cases; is that right?

Mr. Sherry. Yes.

Mr. Kennedy. And in back of this whole arrangement was supposed to have been Mickey Cohen?

Mr. Sherry. It was supposed to have been made by Mickey Cohen

at a poolside conference.

Mr. Kennedy. Who related to you that this decision had been made?

Mr. Sherry. Jack Fox.

Mr. Kennedy. He said that he had the backing of Mickey Cohen, that they had arranged this, Mickey Cohen and himself at this conference, and this was what was going to happen?

Mr. Sherry. That is right.

Mr. Kennedy. You went into that so far as hiring Lawrence Di-

Caro, who is also known as Greaseball, and Bianco, is he not?

Mr. Sherry. We never knew it. This is the first I ever heard of it. Incidentally, Mr. Kennedy, DiCaro was put on the payroll in this manner: The union was very poor, so DiCaro was paid according to the members he brought in, actually a commission deal.

Mr. Kennedy. How did that work out?

Mr. Sherry. We had to let him go for the simple reason that Fox gave us an ultimatum, and the ultimatum was that he and Glen Lane, the attorney, had decided that Fox was to come in there and take over the union, or at least be in there on an equal basis, or Lane would drop our cases in court, which he did do, because we wouldn't accept Fox and we immediately discharged, fired DiCaro.

Mr. Kennedy. Did you know he had been involved in organizing

the delicatessen and barber shops?

Mr. Sherry, He told us he had—no. I thought you were referring to Fox.

Mr. Kennedy. Just Fox?

Mr. Sherry. Yes.

Mr. Kennedy. You didn't know about the organizing work of DiCaro?

Mr. Sherry. No.

Mr. Kennedy. That was three incidents. The fourth was when you went to San Diego. Would you relate that to the committee?

Mr. Sherry. That I would rather not relate to the committee.

I made a trip down to San Diego to organize, and on a particular day when I arrived down there I registered at the U. S. Grant Hotel. I called two or three of the operators in the afternoon to let them know that we would hold a meeting, either that day—pardon, either the next day or the day after. We hadn't quite made the decision what day it would be.

Mr. Kennedy. What year is this?

Mr. Sherry. This would be 1951. This particular meeting I am referring to down there was a meeting that we were going to call the operators together to attempt to organize them. We had been instructed by our international representative, Les Morrell, to do so.

Well, I registered at the Grant Hotel and had called several of the operators. I went to bed, I guess, along about 9 or 9:30. I was in bed a while. It was around midnight when the telephone rang. I got up and answered the phone and I was instructed to come down to the Brass Rail and talk to Frank—I can't say the name—Bompensiero. I declined because I was in bed. I was told I had better not decline, that I had better come down and come down right away, which I did.

I went down to the Brass Rail. It was either the street right opposite the Grant or the next one over. At any rate, I went over there. I got over there about 12:30. I was taken upstairs to a little room that was made from the lobby of a bar. That was the Brass Rail bar. And there were seven or eight people around there, big people, and I am a little man. They informed me that I could not come into San Diego and organize unless they were cut in 50-50.

The Chairman. What were you going to organize there?

Mr. Sherry. I was going to organize these operators into the union, bring them into local 1052 as members.

The Charman. That wasn't a business association? That was a

labor union?

Mr. Sherry. This was a labor union I am referring to.

The Chairman. 1052. All right. Go ahead.

Mr. Sherry. The conversation went about like this: I told Frank Bompensiero that he looked like a pretty smart man, he must know that a labor union couldn't do anything like that. We had to send per capita tax into the International, that there would be no way of splitting that if we wanted to: that we would go ahead with the organizing.

They warned me not to, and I left.

The next day I called several of the operators. I was going to hold the meeting that day, but several that I wanted to reach I couldn't reach, so we put it off. We put the word out that we would hold it the next day, I think at 3 or 3:30.

But that night, the night before the meeting, several of the operators

came up to the room, in two's and three's, to talk to me.

Finally about 9:30 the last one left. Then about 45 minutes later, a rap came at the door and there was three big, I would say, Italians.

The Chairman. Big what?

Mr. Sherry. Italians, I would say their nationality was, big men. They came in, and once again there was a gun brought into evidence. I told them they wouldn't dare use the gun because it would be heard all over the hotel.

So one of them pulled a knife and said, "No, we don't intend to use

the gun, Sherry."

With that they manhandled me a little. They had a hammer, and they had a large object. They took my clothes off, inserted the object, and used the hammer and handle, at which time I passed out.

Mr. Kennedy. This was a cucumber?

Mr. Sherry. Yes, sir, it was.

Mr. Kennedy. A large eucumber?

Mr. Sherry. Yes, sir. And about 6:30 in the morning I came to. I was laying on the floor. I had laid there all night, in a pool of blood.

Mr. Kennedy. You had been knocked unconscious and you were in a pool of blood?

Mr. Sherry. Yes. So I called my doctor. They were going to send an ambulance down.

Naturally, I canceled the meeting, but I drove back.

Mr. Kennedy. Did you know what had happened to you then?
Mr. Sherry. Yes. I had a good idea what happened, because I could feel excruciating pain in my body.

Mr. Kennedy. Did you know what they had inserted at that time?

Mr. Sherry. Yes. I saw it before they inserted it.

The CHAIRMAN. Did they tell you they were going to insert it?

Mr. Sherry. Yes. They told me exactly what they were going to do, and they did it. They told me now I would reconsider before I went ahead with any organizing plans without taking them into it. That was not the end of Frank Bompensiero.

Mr. Kennedy. Tell us what happened to you. Did you start driving

back?

Mr. Sherry. Yes. I drove back. My doctor told me not to drive in that condition, that he would send an ambulance down. I phoned to the family doctor, which was up there in Alhambra, actually. Instead of waiting for the ambulance, I drove back, drove to his office. He got me over to the Huntington Memorial Hospital in a hurry and they operated. That was it.

Mr. Kennedy. Was there any talk about your going back again?

Mr. Sherry. Yes. Frank Bompensiero sent a couple of telegrams up to the local union, insisting that, in the first telegram, that if we came down to organize, he would insist that he go in 50-50. Then he sent another telegram to the local stating that he would come up to talk the matter over, but he never arrived. That was the end of it.

Mr. Kennedy. Did you ever go back?

Mr. Sherry. No, sir. The executive board insisted that I not go back.

The Chairman. Are they still unorganized?

Mr. Sherry. No, sir. The Teamsters have them down there.

The CHAIRMAN. The Teamsters have them?

Mr. Sherry. Yes, sir.

Mr. Kennedy. Mr. Bompensiero is now in the penitentiary. He had nine arrests for charges, including violation of the State poison act, National Prohibition Act, kidnaping and murder, conspiracy, common gambling, possession of firearms after conviction, conspiracy to ask or receive bribes by public officers.

He had three convictions, 1930 for the Wright Act, in which he was fined \$50; 1931 for the National Prohibition Act, 13 months at McNeil Island on four counts, and 3 years in the Federal penitentiary, suspended sentence; 1955, conspiracy to ask or receive bribe by public office, a six month to 14 years, a sentence he is presently serving.

The CHAIRMAN. He was not a member of any union, was he?

Mr. Sherry. Not to my knowledge, sir.

The Chairman. What was he, just a common thug or gangster? Mr. Sherry. Yes, sir. He had, I believe, a little association down there. At least he was reputed to own about nine taverns and control 41.

The Chairman. He was a businessman? Mr. Sherry. He was a businessman.

Senator Capehart. Did you know the three men that attacked you in the hotel that night?

Mr. Sherry. No. sir; I did not.

Senator Capehart. You did not know any one of the three?

Mr. Sherry. No, sir. I didn't even recognize them as being any of the group I had seen that one night. They may have been there, but I didn't recognize them.

Senator Capenarr. You didn't recognize any of them?

Mr. Sherry. Definitely not, sir.

Senator Capehart. None of them were ever arrested?

Mr. Sherry. No, sir. In fact, I didn't even report the matter to the police. I was too ashamed of it.

Senator Capehart. You did not. You didn't know any of them?

Mr. Sherry. No, sir; I didn't know any of them.

Senator Capemarr. What business were you in before you became business manager for this union?

Mr. Sherry. Well, I was immediately prior to that manufacturing coin-operated radios for motels and hotels.

Senator Capehart. You were a businessman?

Mr. Sherry. Yes, sir.

The CHAIRMAN. Is there anything further?

What do you do now?

Mr. Sherry. I am selling real estate, sir.

The CHAIRMAN. You are out of the union business?

Mr. Sherry. Yes, sir. The union closed on January 15, 1953, and it was left for the Teamsters and the Teamsters have since taken everything.

Mr. Kennedy. That was after the strike against the Teamsters was

unsuccessful?

Mr. Sherry. Yes, sir.

Mr. Kennedy. The IBEW came in and lifted your charter?

Mr. Sherry. Yes, sir.

Mr. Kennedy. And turned the jurisdiction over to the Teamsters? Mr. Sherry. Well, they didn't exactly turn it over. They left it for anyone who would take it.

Mr. Kennedy. The Teamsters now have it?

Mr. Sherry. Yes, sir.

Mr. Kennedy. Is the situation as you know it today similar to what

you have described?

Mr. Sherry. It is much worse, sir. Very sincerely, Mr. Kennedy, we cleaned up the area a great deal. We had a pretty good operation there, and we didn't have any known hoodlums in our local. It was pretty clear. But things have gone back to where they were now, I am so told.

Mr. Kennedy. Your method of procedure was hardly a proper one. Mr. Sherry. It was wrong. I will agree there. But nevertheless, it was an evil that did some good.

Mr. Kennedy. Did they indicate to you in San Diego what would

happen to you if you came back a second time?

Mr. Sherry. Yes. I was used to hearing that. Several of them

threatened to kill me. But I guess my hearing was bad.

Mr. Kennedy. No. After they inserted the cucumber, did they indicate what would happen to you? Was there any discussion of a watermelon if you came back?

Mr. Sherry. No, sir; not to my knowledge.

Mr. Kennedy. There was no discussion about that?

Mr. Sherry. No.

Mr. Kennedy. You haven't been in the labor movement since 1953?

Mr. Sherry. No, sir. I am very happy not to be. The Charman. Are there any other questions?

If not, thank you very much.

Call the next witness.

Mr. Kennedy. Mr. Vaughn. The Chairman. Be sworn, sir.

You do solemnly swear the evidence you shall give before this Senate Select Committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. VAUGHN. I do.

TESTIMONY OF THOMAS A. VAUGHN, ACCOMPANIED BY COUNSEL, EMIL N. LEVIN

The Chairman. State your name, your place of residence, and your business or occupation, please, sir.

Mr. VAUGIIN. My name is Tom Vaughn. I live in New Orleans, La.

The CHAIRMAN. Where?

Mr. Vaughn. New Orleans. And I am president of the New Orleans Cigarette Service Corp.

The CHAIRMAN. Thank you, sir. You have counsel?

Mr. Vaugiin. I do, sir.

The Chairman. Mr. Counsel, identify yourself for the record.

Mr. Levin. Emil Levin, 31 South Clark, Chicago.

The Chairman. Proceed, Mr. Kennedy.

Mr. Kennedy. Mr. Vaughn, prior to World War II you were in the insurance business in Delaware; is that right?

Mr. Vaughn. That is right, sir.

Mr. Kennedy. And during the war you worked in the Office of Civil Defense, Washington, D.C., as Acting Deputy Director?

Mr. VAUGIIN. That is right, sir.

Mr. Kennedy. And in Chicago, Ill., as Civilian Mobilization Advisor?

Mr. VAUGHN. That is right, sir.

Mr. Kennedy. In 1944 you became associate director of the National Automatic Merchandising Association of Chicago?

Mr. Vaughn. That is right, sir.

Mr. Kennedy. And while there, you became friendly with Mr. George Seedman; is that right?

Mr. VAUGHN. That is right, sir.

Mr. Kennedy. Who was then an officer and director of the Rowe Corp. in New York City?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. In March 1946, you went to New Orleans, and purchased your present minority interest in the New Orleans Cigarette Service Corp.; is that right?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. And you purchased that interest from the Rowe Cigarette Service?

Mr. VAUGIIN. Yes, sir.

Mr. Kennedy. Which was a subsidiary of the Rowe Corp.; is that right?

Mr. Vaughn. Well, Rowe Corp.—Rowe Cigarette Service later be-

came Rowe Corp.

Mr. Kennedy. Then in partnership with Rowe, you operate cigarette vending machine companies in Lafayette and Baton Rouge, La., at the present time?

Mr. Vaugun. That is right, sir.

Mr. Kennedy. At the National Automatic Merchandisers Association convention—you attended that—which was held in Philadelphia on October 10, 1957——

Mr. Vaugiin. Yes, sir.

Mr. Kennedy. At that time did you speak with Mr. Harold Roth of the National Vendors Corp.?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. That is a major company, is it not, the National Vendors?

Mr. Vaugiin. Yes, sir.

Mr. Kennedy. One of the biggest in the country?

Mr. Vaughn. Yes, sir. Mr. Kennedy. They distribute what?

Mr. Vaughn. Cigarette merchandising machines, principally.

Mr. Kennedy. At that time, Harold Roth mentioned George Seedman, who had been a friend of yours, of the Rowe Co., who was then stationed in Los Angeles. Did he complain about the tactics that Seedman had been using?

Mr. Vaugiin. Yes, sir.

Mr. Kennedy. What did he say?

Mr. Vaughn. Well, he just said that George was aggravating him and that he was a little unhappy about it

Mr. Kennedy. And that they were having some difficulties at that

time?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. The two companies then?

Mr. Vaugiin. Yes, sir.

Mr. Kennedy. And at the convention, you spoke to Seedman about it, did you not? Mr. Vaughn. Yes, sir.

Mr. Kennedy. And Seedman told you there was nothing to worry about?

Mr. Vaugin. Yes, sir.

Mr. Kennedy. You told him that you would help him if he felt that your help would be of assistance?

Mr. Vaugiin. Yes, sir.

Mr. Kennedy. On November 11, 1957, which you remember because it was your wedding anniversary, you had launch in New Orleans with Harold Roth?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. He was there on a business trip; is the right, sir?

Mr. VAUGIIN. That is right, sir.

Mr. Kennedy. And at that time, it was once again mentioned that Seedman was causing some difficulty in Los Angeles?

Mr. Vaughn. Yes, sir. The struggle that was going on was men-

tioned; yes, sir.

Mr. Kennedy. And that Seedman had been taking locations from this company, from Roth?

Mr. Vaughn. I think it was mutual sir.

Mr. Kennedy. Each one had been taking locations?

Mr. Vaugiin. Yes, sir.

Mr. Kennedy. Who were the two companies that would be involved out there?

Mr. Vaughn. I believe it is Coast Cigarette Service, and that is Mr. Roth's company, and Rowe Service, which is Mr. Seedman's company.

Mr. Kennedy. You then telephoned Seedman shortly afterwards and volunteered to go to Los Angeles to help him if he needed any

assistance?

Mr. VAUGHN. I did, sir.

Mr. Kennedy. He declined that offer at the time?

Mr. VAUGIIN. Yes, he did, sir.

Mr. Kennedy. Several days later, or within a short time, he did call you and ask you to come to Los Angeles?

Mr. VAUGIIN. That is right, sir.

Mr. Kennedy. He wanted to discuss the whole matter with you; is that right?

Mr. VAUGHN. That is right, sir.

Mr. Kennedy. At that time, you indicated that you would bring Mr. Lou Angelo, who was your manager, with you?

Mr. VAUGHN. He is my sales manager in New Orleans; yes, sir.

Mr. Kennedy. You knew from reading in the newspapers that a man by the name of Babe McCoy was then in New Orleans?

Mr. VAUGHN. That is right, sir.

Mr. Kennedy. Did you make arrangements to talk to Babe McCoy? Mr. Vaughn. Yes. I sought an interview through mutual friends with Mr. McCoy.

Mr. Kennedy. McCoy at that time was a disbarred fight manager? Mr. Vaughn. What his position was I don't know at that time.

Mr. Kennedy. Why did you seek an interview with Mr. McCoy? Mr. Vaughn. Well, I knew I had friends who knew Mr. McCoy and I knew Mr. McCoy was from Los Angeles and probably, from what I read in the papers, well versed in the Los Angeles area.

Mr. Kennedy. What do you mean, "well versed"? The fact that he had these close associates with the underworld and he had been a

disbarred fight manager?

Mr. Vaughn. I know nothing about that, sir.

Mr. Kennedy. What kind of contacts did you think he had?

Mr. Vaughn. Well, usually anyone who would be a matchmaker or promoter of fights probably would have a wide acquaintanceship with barrooms and taverns where cigarette machines are usually installed.

Mr. Kennedy. Anyway, you arranged to meet with McCoy; is that

right?

Mr. VAUGHN. That is right, sir.

Mr. Kennedy. What did McCoy indicate to you at that time?

Mr. Vaughn. That he would be back in Los Angeles within the next few days, and that when I got there I should call him.

Mr. Kennedy. And that he would help you if he could?

Mr. Vaughn. That is right.

Mr. Kennedy. Then on November 17, 1957, you and Angelo flew to Los Angeles and checked into the Ambassador Hotel?

Mr. Vaugun. Correct, sir; that is right.

Mr. Kennedy. On November 18, Seedman came to see you at the hotel, did he not?

Mr. Vaugun. That is right, sir.

Mr. Kennedy. And he indicated to you that the Coast Co. had not been able to hurt them too much?

Mr. VAUGHN. That is right, sir.

Mr. Kennedy. Did he tell you that Coast had some 20 men out there that were working in the dispute that was going on?

Mr. Vaugun. I believe that came out at that time; yes, sir.

Mr. Kennedy. These were all locations for cigarette machines, were they not?

Mr. Vaughn. Yes.

Mr. Kennedy. He said that they were getting some of Coast's locations and Coast in turn was getting some of their locations!

Mr. VAUGHN. That is right, sir.

Mr. Kennedy. And Angelo was going to help and assist in trying to get some of these locations back, get new locations!

Mr. Vaughn. Yes, sir.

Mr. Kennedy. Then for the next few days you called on some of the locations to try to assist?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. Then on November 19 you called Babe McCoy and arranged to meet him the following morning at the Ambassador Hotel?

Mr. VAUGHN. It was at the Mayan Hotel. I was living at the Am-

bassador, but we made a breakfast date at the Mayan Hotel.

Mr. Kennedy. Then on November 20 you and Seedman had breakfast with McCoy: is that right?

Mr. VAUGHN. That is right, sir.

Mr. Kennedy. And he indicated to you that he might be able to help?

Mr. Vaugny. He said that he would do what he could, sir.

Mr. Kennedy. Then you were in Seedman's office on November 22 when you talked to McCoy, who said he had something serious to tell you, and he wanted to talk to you again?

Mr. Vaugun. That is right, sir.

Mr. Kennedy. And he told you that it couldn't be discussed over the telephone?

Mr. VAUGHN. That is right.

Mr. Kennedy. And you should come to his apartment?

Mr. VAUGHN. That is right, sir.

Mr. Kennedy. You and Angelo visited McCoy at his apartment?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. What did he tell you at that time?

Mr. VAUGIN. Well, he said that he had received a call from Mr. Michael Cohen.

Mr. Kennedy. Mr. Michael Cohen? Does he go by any other name? Mr. Vaughn. I think he is known by "Mickey." Mickey Cohen or Michael Cohen.

Mr. Kennedy. Go ahead.

Mr. Vaughn. And Mr. Cohen asked him what his interest was in helping people in the cigarette business, and indicated that Mr. Cohen's friend, Mr. Sica, had been offered a position by the competitive company to help them. So Mr. McCoy responded that he had no interest in it whatsoever except to help me because of personal friends, and he suggested that Mr. Cohen should come over to his apartment and meet me.

Mr. Kennedy. Was that arranged then?

Mr. Vaugiin. Yes, sir.

Mr. Kennedy. Who suggested that he should come over to the

apartment and meet you?

Mr. Vaughn. Well, I couldn't answer on that directly, sir. I don't know whether Mr. Cohen suggested he should come over or Mr. McCoy suggested he should come over. I wasn't there.

Mr. Kennedy. But Cohen indicated that he was interested in this business, and arrangements were made for him to meet with you; is

that right?

Mr. VAUGIIN. That is right, sir.

Mr. Kennedy. So did you generally meet at McCoy's apartment?

Mr. VAUGIIN. Yes, sir.

Mr. Kennedy. And it was that evening, was it? Mr. Vaughn. The same evening.

Mr. Kennedy. Would you relate what happened at that time?

Mr. Vaughn. Well, Mr. Cohen and Mr. Sica came in.

Mr. Kennedy. Who is Mr. Sica? Mr. Vaughn. Mr. Sica, the first time that I had met him or the first time that I had met Mr. Cohen—I knew nothing about them. Of course, I knew Mr. Cohen by reputation, but I had never met him before that. Mr. Sica, I had never known up to that time.

Mr. Kennedy. And Cohen and Sica came in?

Mr. VAUGHN. That is right, sir.

Mr. Kennedy. What did Cohen tell you at that time?

Mr. VAUGHN. The substance of it was that Mr. Sica had been offered, I believe the amount was, \$20,000 to work for Coast Cigarette Service in securing Mr. Seedman's locations.

Mr. Kennedy. Go ahead.

Mr. Vaughn. And-

Mr. Kennedy. What did you tell him? Mr. Vaughn. I told him certainly—I said I knew him by reputation and that I certainly didn't want him to go against my friend's company, and that it wasn't that big a battle to begin with.

I said it was just a competitive battle between two companies and

I am sure it was nothing big enough for him to be interested in.

Mr. Kennedy. Was it indicated in his conversation that this was going to be a joint venture on the part of Sica and him to try to get locations for the Coast Co.

Mr. Vaughn. I believe it would be this way, that he said that Mr. Sica had been offered the job, and that naturally, since Mr. Sica was

a friend of his, that he would help him.

Mr. Kennedy. But from your conversation with him, in which you stated, "I know your reputation, and I wouldn't want somebody like you opposing me," you indicated or knew that the opposition that was going to come was coming from Mickey Cohen, and not Fred Sica?

Mr. Vaughn. That would be my assumption; yes, sir.

Mr. Kennedy. That was the impression that he attempted to convey to you in the course of the conversation, or did convey to you in the course of the conversation?

Mr. Vaughn. I would say that is correct, sir.

Mr. Kennedy. So what was finally decided at that time?

Mr. Vaugun. Well, I decided—he said—well, I asked for him to certainly give me a couple of days to think it over, that I was a friend of Mr. McCoy's, and that he knew that, and that I wished he wouldn't do anything for a few days or make any decision until I had a few days to think it over.

Mr. Kennedy. Did he seem to know what the facts were in connec-

tion with the matter!

Mr. Vaugun. He seemed to know all about the competitive battle very, very much, yes, sir.

Mr. Kennedy. Did he mention, for instance, a particular account

called Tony Navlor's?

Mr. Vaugna. He did, sir.

Mr. Kennedy. And that was an account Mr. Seedman had taken away from Coast?

Mr. Vaugun. That is right.

Mr. Kennedy. Was there any discussion at that time about Tony

Navlor's?

Mr. Vaughn. I asked Mr. Cohen if he could secure for Coast that location again, if he thought he could, and Mr. Cohen replied, "I don't think I could. I know that I could."

Mr. Kennedy. Did he say anything about Seedman—Mr. Cohen? Mr. Vaughn. He said only that he didn't know Mr. Seedman, of course, and that he had heard that he was very friendly with the police officials in Los Angeles, and had Chief Parker's picture in his office, or Mr. Hamilton's picture in his office.

Mr. Kennedy. That is Captain Hamilton?

Mr. VAUGHN. I have never met either one of the gentlemen.

Mr. Kennedy. But he indicated that Seedman had their pictures in his office, Captain Hamilton and Chief Parker?

Mr. Vaugiin. He so indicated; yes.

Mr. Kennedy. And that was another reason that he didn't like Mr. Seedman?

Mr. Vaughn. That is right, sir.

Mr. Kennedy. So ultimately you asked Cohen not to do anything right at that time?

Mr. Vaughn. That is correct.

Mr. Kennedy. Did he indicate that he would hold off?

Mr. Vaughn. Yes. The inference was that he would wait until he had a chance to think it over, yes, sir.

Mr. Kennedy. That same night, November 22, you, Angelo Cohen and Sica went to dinner; is that right?

Mr. VAUGUN. I believe that is correct, sir.

Mr. Kennedy. With Max Tannenbaum and others?

Mr. Vaughn. There was a large party, sir. A large group.

Mr. Kennedy. Then the following evening you went to dinner with him again?

Mr. VAUGHN. That is right, sir.

Mr. Kennedy. He was taking you all to dinner; is that right?

Mr. Vaughn. That is right.

Mr. Kennedy. No business was discussed on those two occasions?

Mr. Vaughn. At no time, sir. Mr. Kennedy. On Sunday evening, November 24, did you have some discussions with Mr. Seedman at the Ambassador Hotel?

Mr. Vaugun. At what time, sir?

Mr. Kennedy. Sunday morning, November 24, discussions with Mr. Seedman at the Ambassador Hotel?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. Did you tell him then about your discussions with Mr. Cohen?

Mr. Vaughn. I did.

Mr. Kennedy. What did you decide to do then?

Mr. Vaugun. Mr. Seedman agreed with me that he felt Mr. Cohen was a power in southern California and he certainly didn't want Mr. Cohen or Mr. Sica to interfere with this relatively small competitive battle that was going on, and that it would be much better for the industry if they would remain neutral and take no part in it whatsoever, either for or against us.

Mr. Kennedy. When you talk about industry, you are talking

about your company, it would be much better for your company? Mr. VAUGIIN. I think for the industry as a whole, too, sir.

Mr. Kennedy. That is what you were thinking of?

Mr. Vaughn. I would say so. I would say so.

Mr. Kennedy. So what did you decide to do for the industry?

Mr. VAUGHN. Well, I am a former association man, as your record indicates, and I do think of the industry.

Mr. Kennedy. What did you decide to do then? Mr. Vaughn. Well, we agreed that since Mr. Cohen told that Mr. Sica had been offered a fee for helping him, he probably would expect a fee to stay neutral.

We agreed to pay up to \$5,000.

Mr. Kennedy. To keep him neutral?

Mr. VAUGHN. To keep them neutral is right, sir.

Mr. Kennedy. So did you meet with Mr. Cohen that evening?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. You had dinner with him on November 24 at LaRue Restaurant, did you not?

Mr. VAUGIIN. That is right, sir.

Mr. Kennedy. Then after dinner, as you were leaving, did you

have a talk with him, with Mr. Cohen, a personal talk?

Mr. Vaughn. Yes. We walked across the street together, and as I was going back to the hotel I asked him for a meeting with him, a luncheon meeting with him, for the next day.

Mr. Kennedy. What conversation did you have with him then? Mr. VAUGHN. He said he would be glad to meet me at my hotel, the Ambassador, around 2:30 for lunch.

Mr. Kennedy. Then what did he say?

Mr. VAUGIIN. He said he had a call that day, and that he was offered \$50,000, a contract for \$50,000, I believe was the phraseology, to put Mr. Seedman's lights out.

Mr. Kennedy. To put Mr. Seedman's lights out?

Mr. VAUGHN. That is right, sir.

Mr. Kennedy. What was your reaction to that? Mr. Vaughn. I just thought it was very ridiculous. I didn't think he meant it. I treated it very casually, sir.

Mr. Kennedy. The impression was—did he say it seriously? Mr. VAUGHN. I would say that he wasn't smiling; yes, sir.

Mr. Kennedy. He said that he had received a call and was offered a contract for \$50,000 to put Mr. Seedman's lights out?

Mr. Vaughn. That is exactly right, sir; yes, sir.

The Chairman. You are talking about his business lights, I assume.

Mr. Vaughn. I don't know, sir.

The CHAIRMAN. You didn't think he was going to put his eyes That wasn't what you thought, was it?

Mr. VAUGHN. I didn't take it seriously. I didn't dwell on the point

with him, Senator.

The Chairman. I know, but you couldn't help having some kind of a flash in your mind of what he meant by putting his lights out. What did you think he meant?

Mr. Vaughn. Well, it didn't sound like anything particularly pleasant. But I didn't dwell on the point. I thought he couldn't be serious.

The Chairman. You thought he might put him out of business completely, alive and otherwise?

Mr. VAUGHN. It could have meant that, Senator.

The Charman. That is what you thought it meant; is that right?

Mr. Vavona. Well, as I said, Senator, I treated it very lightly. I didn't dwell on the subject with Mr. Cohen, did not discuss it with

The Chairman. You don't treat threats of death too lightly, do you? Mr. VAUGHN. Under the circumstances, all I can do is relate what

happened.

The Charman. You were hoping it wasn't true?

Mr. Vaughn. I said that that was ridiculous, that I know something like that couldn't happen.

Senator Ervin. Was this on Christmas Eve?

Mr. Vaughn. No, sir. It was on Sunday night. I don't remember the exact date. It was the Sunday night after I arrived in Los Angeles.

Senator Ervin. Just before Thanksgiving?

Mr. Vaughn. It was the Sunday before Thanksgiving.

Senator Ervin. It wasn't the kind of conversation that you thought was very appropriate for that season of the year or any other season for that matter, was it?

Mr. Vaughn. Well, as I say, I didn't pay a great deal of attention

Mr. Kennedy. I don't want to belabor the point, but there was no question in your mind, was there, that what he had in mind was having Mr. Seedman killed?

Mr. Vaughn. That would be the inference that I drew, sir.

Senator Ervin. I thought you were rather mild in your understate-

ment. I would think that that was a serious business, myself.

Mr. Vaughn. I was more concerned with the neutrality of the parties concerned than I was with anything else at that particular time.

Mr. Kennedy. The neutrality of the parties?

Mr. Vaughn. Yes.

Mr. Kennedy. On Monday, November 25, you met in the French Room at the Ambassador Hotel with Cohen for lunch; is that right?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. And Sica was in and out of the room, and did he come there?

Mr. Vaughn. I believe so, yes. Mr. Kennedy. Was he present?

Mr. Vaughn. I was there on two consecutive luncheons with Mr. Cohen, on Monday and Tuesday, and I know on one of those two days Mr. Sica was in and out.

Mr. Kennedy. So at that time, or anyway, you had lunch with Cohen?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. And you started discussing this situation, the competition that was going on?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. You said for the \$20,000 Cohen was to secure from the company he would have to do some work; is that right?

Mr. Vaughn. That is right.

Mr. Kennedy. And you would like to offer him a counterproposition?

Mr. Vaugiin. Yes, sir.

Mr. Kennedy. And at that time, you said what?

Mr. Vaughn. I offered him \$5,000 just to forget that there was such a battle, and I offered it for Mr. Sica, and it was Mr. Cohen's person I was talking to.

Mr. Kennedy. You offered them \$5,000 for Mr. Cohen and Mr.

Sica to stay neutral?

Mr. VAUGHN. That is right.

Mr. Kennedy. What was his reaction to that?

Mr. VAUGHN. Mr. Cohen said that that was ridiculous, that he could not ask Freddy to take \$5,000 when he had been offered much

Mr. Kennedy. So it was discussed what you might pay him, or

that he wanted \$10,000?

Mr. Vaughn. No. Mr. Cohen offered to loan me \$5,000, so that

at least \$10,000 could be paid to Mr. Sica.

Mr. Kennedy. So he wanted \$10,000, and if you were stuck for the extra \$5,000, he would be willing to loan you \$5,000, so you could pay Mr. Sica \$10,000?

Mr. VAUGHN. That was what he told me.

Mr. Kennedy. What was your reaction to that? Mr. Vaughn. I said, "If you loan me \$5,000 that would have to be paid back," and so we talked about \$10,000, and I said I don't have enough money in our business to pay \$10,000, and said I certainly couldn't give you an answer to that, today.

Mr. Kennedy. Did you go back and then discuss it with Mr.

Seedman?

Mr. Vaughn. I did. sir.

Mr. Kennedy. And was it decided at that time that he should be

given \$5,000 and an IOU for another \$5,000?

Mr. VAUGIIN. Yes, we agreed to give him \$5,000 then, and then I gave him an oral I O U that I would pay him an additional \$5,000 within 90 days.

Mr. Kennedy. So you agreed to pay him the \$10,000?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. \$5,000 in cash immediately, and \$5,000 to come subsequently?

Mr. Vaugun. That is right.

Mr. Kennedy. That money was paid to him?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. He received the \$10,000?

Mr. Vaugiin. Yes, sir.

The Chairman. I understand from counsel it will take a little while longer to conclude with this witness, and I don't believe we can conclude at this time, and it will be necessary to recess.

Senator Capellart. I have one question. What service did Mr.

Cohen render for this \$10,000?

Mr. Vaughan. No service whatsoever, sir.

Senator Capehart. None whatsoever?

Mr. Vaughn. No. sir.

Senator Capehart. Did you know he was going to render no service when you gave it to him?

Mr. Vaugin. That was the purpose, for neutrality.

Senator Capehart. To keep him from doing anything?

Mr. VAUGHN. That is right.

The Chairman. The committee will stand in recess until 2 o'clock. (Members of the select committee present at the taking of the recess were Senators McClellan, Mundt, Ervin, Curtis, and Capehart.)

(Whereupon, at 12:25 p.m., the committee recessed, to reconvene at 2 p.m., the same day.)

AFTERNOON SESSION

The select committee reconvened at 2 p.m. in the caucus room of the Senate Office Building, Senator John L. McClellan, presiding. The Chairman. The committee will come to order.

(Members of the select committee present at the convening of the

afternoon session were Senators McClellan and Curtis.)

The CHAIRMAN. Mr. Vaughn, will you resume the stand, please?

TESTIMONY OF THOMAS A. VAUGHN, ACCOMPANIED BY COUNSEL, EMIL N. LEVIN—Resumed

The CHAIRMAN. We will proceed.

Mr. Kennedy. Now, we were up to November 26; you had the meeting at 2:30 with Mickey Cohen, and you had the agreement with Mr. Seedman that you would give him \$3,000 in cash and a \$5,000 I O U. That night, on November 26, you attended another of Mickey Cohen's parties at the Rivioli, along with certain other people?

Mr. Vaughn. That is right.

Mr. Kennedy. And no business was conducted at that time.

On Wednesday, November 27, Seedman came to your room at the Ambassador Hotel and gave to you an unsealed envelope containing \$5,000 in cash?

Mr. Vaugun. That is right.

Mr. Kennedy. That was on Wednesday, November 27; is that not right?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. You and Seedman then met Cohen and Sica for lunch at the Brown Derby?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. On the same day?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. And then you discussed some general matters and then the question of the \$5,000 came up and would you relate to the committee what happened?

Mr. VAUGHN. Well, I just said I had it with me and Mr. Cohen said,

"Give it to Mr. Sica," which I did, and that was all.

Mr. Kennedy. Was there anything about you raising a question as to whether you should give it to him there or under the table?

Mr. Vaugun. Well, I said, "When do you want it?" And he said,

"Right now," and I just handed it across the table to him.

Mr. Kennedy. Had you expected that he would want it passed under the table?

Mr. VAUGHN. I didn't know, sir, and I asked him when he wanted it. Mr. Kennedy. At that time it was also agreed that you would give another \$5,000 to Sica and Cohen in March of 1958?

Mr. Vaugiin. Yes, sir.

The CHAIRMAN. That package just had \$5,000 in it?

Mr. Vaugiin. Yes, sir.

Mr. Kennedy. That was to have Mr. Cohen and Mr. Sica remain neutral in the fight between the vending machine companies?

Mr. Vaughn. That is right, sir.

Mr. Kennedy. Now, you returned to New Orleans the following day, November 28; is that right?

Mr. VAUGHN. I flew that night, sir, and I got in in the morning. Mr. KENNEDY. You got back to New Orleans on November 28?

Mr. Vaugiin. Yes, sir.

Mr. Kennedy. Had you informed Mr. Arthur Gluck, who was the head of the Rowe Co. in New York, as to the situation?

Mr. VAUGIIN. No; I would have to say that I hadn't.

He knew that I was there, but we never discussed any of the details other than the battle, and so forth. I may have told him, or the answer is "No."

Mr. Kennedy. You told him that you had to make some arrange-

ments with Mickey Cohen and Sica, did you not?

Mr. VAUGHN. No; I didn't say that to him, sir.

Mr. Kennedy. You didn't say anything like that to him?

Mr. Vaughn. No, sir.

Mr. Kennedy. Did you subsequently tell him?

Mr. VAUGHN. After it was all over, he knew the details.

Mr. Kennedy. What did he say to you at that time?

Mr. Vaughn. He said I was stupid. Mr. Kennedy. Anything else? Mr. Vaughn. That was all.

Mr. Kennedy. Did he say that was the best you could do?

Mr. Vaugun. He gave me credit for making the best decision at that particular time, and he said he felt that was the thing to do.

Mr. Kennedy. Now, let me see, you were in New Orleans from No-

vember 28 to December 8; is that right?

Mr. VAUGHN. Yes, sir.

Mr. Kennedy. During that period of time, you received a telephone call from Mickey Cohen?

Mr. Vaugiin. Yes, sir.

Mr. Kennedy. And that telephone call came to you at what time of the day?

Mr. VAUGHN. It was in the middle of the night, in New Orleans, and it was probably 3 o'clock in the morning, or 2 to 3 o'clock in the morning in New Orleans.

Mr. Kennedy. What did Mr. Cohen tell you then?

Mr. Vaughn. He said something very important had developed, and that he felt that he didn't want to bother Mr. Seedman at his home, but I should call him and tell him to call Mr. Cohen at a certain telephone number.

Mr. Kennedy. He said all hell was breaking loose?

Mr. Vaughn. Words to that effect; yes.

Mr. Kennedy. Did he mention to you the work of a private investigator?

Mr. VAUGHN. I don't believe anybody's name was mentioned, but I think it was a question of recordings being mentioned.

Mr. Kennedy. Recordings?

Mr. VAUGHN. Yes, sir.

Mr. Kennedy. Some recordings being made, and that he wanted to get in touch with you about this right away?

Mr. Vaughn. Yes, sir; it was with Mr. Seedman right away. Mr. Kennedy. Did you then put a call in to Mr. Seedman?

Mr. Vaughn. I did.

Mr. Kennedy. And you told him to get in touch with Mr. Cohen?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. Did Seedman subsequently report to you that he had heard some recordings that had been made by a private investigator?

Mr. VAUGHN. He told me that he heard them; yes, sir.

Mr. Kennedy. He heard them in the company of Mickey Cohen?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. And what did he say? What did he report to you

about the recordings?

Mr. VAUGHN. He said they were unintelligible and he could not distinguish the conversation, and it seemed to be of no value whatsoever.

Mr. Kennedy. Now, the location war between the Coast and the Rowe Co. continued: is that right?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. And you went back to Los Angeles on December 8?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. We will come back to these recordings in a few moments, but I want to bring it up to the proper time.

You checked into the Beverly Hills Hotel and you stayed there

until December 14, 1957; is that right?

Mr. VAUGHN. From Sunday night to Saturday morning, and I be-

lieve those were the dates, sir.

Mr. Kennedy. During that period of December 8 through December 14, you were in contact with Cohen and Sica on occasions socially, and then Mr. Cohen visited your room at the hotel, did he not?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. Quite frequently during that period of time?

Mr. VAUGHN. Yes, sir.

Mr. Kennedy. That was just social visits?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. Then around December 11, you, without contacting Mr. Seedman, contacted the head of the Coast Co., Mr. Carr, and suggested ending the battle for locations?

Mr. Vaughn. Well, I knew that a meeting had already been set for

Wednesday, and I was just trying to anticipate in advance that there

would be no difficulties in reaching arbitration.

Mr. Kennedy. So there was an agreement made, that arose out of your efforts?

Mr. VAUGHN. I wouldn't say it was out of my efforts, but I was

Mr. Kennedy. You were helpful?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. And the agreement was that each side would cease offering unduly high commissions to locations; and two, each would retain the locations they had and were servicing; and three, each would refrain from taking the others' locations; and four, each would in the future engage in only "normal competition."

Mr. VAUGHN. I don't know that phase of it, sir.

Mr. Kennedy. Was that generally along those lines?

Mr. VAUGIIN. I knew both companies were losing money in all of their transactions and they were just going to stop doing all of these things that they were losing money on.

Mr. Kennedy. These were the sort of things causing the difficulty

between the companies?

Mr. Vaughn. Some of those things; yes, sir.

Mr. Kennedy. Was there anything that I mentioned that wasn't causing difficulty?

Mr. VAUGHN. I didn't get them, and I didn't get them all.

Mr. Kennedy. But generally you were going to stop this jumping of locations?

Mr. Vaughn. I was going to be a third party.

Mr. Kennedy. The two companies were going to stop? Mr. Vaughn. Yes, sir.

Mr. Kennedy. And the war was going to cease?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. And then somewhere between December 11 and December 12, that agreement was made?

Mr. Vaughn. Yes, sir. Mr. Kennedy. Between the two companies?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. About this time did Mr. Cohen come to you about paying for these recordings, and for the price of hearing these recordings? Did he come to you in connection with that?

Mr. VAUGHN. Yes, he did, sir. He mentioned it to me and I don't think that he made a specific trip for that, but he did tell me that

in the course of conversations.

Mr. Kennedy. That you should pay for the fact that Mr. Seedman

heard the recordings?

Mr. Vaughn. He felt that Mr. Otash should be reimbursed for letting Mr. Seedman hear the recordings.

Mr. Kennedy. How much did he want for that?
Mr. Vaughn. Now, this is an item that I completely forgot about until last week, and so much had happened, but to the best of my knowledge the amount was \$1,000.

Mr. Kennedy. Where did you get that? Did you agree then to pay Cohen \$1,000 for Mr. Seedman hearing these recordings which

were unintelligible?

Mr. Vaughn. I discussed it with Mr. Seedman, of course, and the money that was spent was Mr. Seedman's and his company's money, and I naturally would discuss it with him.

Mr. Kennedy. What did he say?

Mr. VAUGHN. He said, well, since the whole thing was over with, probably rather than antagonize anybody, even though the recordings were worthless, the money should be paid.

Mr. Kennedy. So did you give Mr. Cohen the \$1,000?

Mr. Vaughn. To the best of my recollection; I did.

Mr. Kennedy. What is the question? Mr. Vaugiin. Did I give him the money?

Mr. Kennedy. Is there any question in your mind that you gave

him the \$1,000?

Mr. VAUGHN. There is an area, and I was talking to one of your staff members, there is an area of doubt there, but that is why I say to the best of my knowledge I gave it to him.

Mr. Kennedy. Is the area of doubt on the question of whether

you gave him any money or the amount of money?

Mr. Vaughn. The amount of money.

Mr. Kennedy. You gave him some money and you don't know, or you believe it was \$1,000, but it could have been \$500?

Mr. Vaughn. That is right, sir.

Mr. Kennedy. But your best recollection is that you paid him \$1,000?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. You know that you did pay him?

Mr. Vaugiin. Yes, sir.

Mr. Kennedy. Who was present at the time that you gave the \$1,000 or whatever amount it might have been, which we will call \$1,000, with the question that you have raised about it. Who was present at the time that you gave him this money?

Mr. VAUGHN. To the best of my recollection, there were people in the living room of the suite, and I went with Mr. Cohen to the bed-

room of the suite, and gave him the \$1,000 at that time.

Mr. Kennedy. Whose suite was that?

Mr. VAUGHN. It was my suite, sir.

Mr. Kennedy. You called him in and gave him \$1,000? Mr. Vaughan. Yes, sir.

Mr. Kennedy. Was this in an envelope or cash? Mr. Vaughan. To the best of my recollection, it was cash.

Mr. Kennedy. In an envelope? Mr. Vaughan. No; just cash.

Mr. Kennedy. In \$100 bills? Mr. Vaughan. To the best of my recollection; yes, sir.

Mr. Kennedy. Did you cash a check to get the \$500 of the \$1,000?

Mr. Vaughan. Yes, sir; I did, sir.

Mr. Kennedy. Was that your own personal check?

Mr. Vaughan. No; it was a check of the Rowe Service Co. in Los Angeles.

 $m \dot{M}_{
m F}$, Kennedy. Where did you get the other \$500 from ?

Mr. VAUGHAN. Well again, to the best of my recollection on this other \$500 Mr. Seedman gave that to me at the same time.

Mr. Kennedy. Now, did you ever meet the investigator who handled these recordings?

Mr. Vaughan. Yes, sir; I did. Mr. Kennedy. Who was that? Mr. VAUGHAN. Mr. Fred Otash.

Mr. Kennedy. Did you have any conversations with him about the recordings?

Mr. Vaughan. No, not to my knowledge, we didn't discuss that Mr. Kennedy. What were the recordings supposed to have been?

Mr. VAUGHAN. I didn't hear them, and so I can't say; it would be conjecture on my part, and I actually don't know.

Mr. Kennedy. What did Mr. Seedman report to you as to what

the recordings were?

Mr. VAUGHAN. He said they were unintelligible and he could not

make them out.

Mr. Kennedy. Could you tell the committee why you paid \$1,000 to listen to unintelligible recordings, which you didn't know anything about, and you didn't know what they were supposed to be?

Mr. VAUGHAN. It is a very good question, and the only answer I can give to you on that was that we wanted to end the whole thing

once and for all at that particular time.

Mr. Kennedy. If anybody had come into the hotel room that day, and said, "I have a group of recordings in my box, and nobody can understand them, but I will let you listen to them for \$1,000," would you have done it?

Mr. Vaughan. No, sir.

Mr. Kennedy. Why did you do it in this case?

Mr. Vaughn. Well, at the time that the recordings were offered to be hired, no one knew what they contained, that would be my best answer.

Mr. Kennedy. So you found out what they contained, which was

nothing.

Mr. Vaughn. But I believe Mr. Cohen probably, or I would say made a commitment on that.

Mr. Kennedy. You didn't make a commitment?

Mr. Vaughn. No; I made no commitment.

Mr. Kennedy. If they didn't contain aynthing, why did you pay him \$1,000, Mr. Vaughn?

Mr. Vaughn. Only to end the thing, and Mr. Cohen suggested that Mr. Otash be reimbursed for letting Mr. Seedman hear the recordings.

Mr. Kennedy. Do you feel that because it was Mickey Cohen who

made the suggestion, you should pay the \$1,000?

Mr. Vaughn. I would say it would have to have some bearing on it, sir.

Mr. Kennedy. And you didn't give the money to Otash anyway. You gave it to Mickey Cohen.

Mr. VAUGHN. That is right, sir.

Mr. Kennedy. You don't know whether Mr. Otash received the money; do you?

Mr. VAUGHN. No, I don't, sir.

Mr. Kennedy. You just wanted peace; is that right?

Mr. Vaugun. Yes, sir.

Mr. Kennedy. And you felt that Mickey Cohen could give it to

Mr. Vaughn. No. I just didn't want any-he had no part of it. We just didn't want Mr. Cohen interfering with our business one way or the other.

Mr. Kennedy. You thought if you didn't pay him the \$1,000, he

could cause you some trouble?

Mr. Vaugun. No, I don't think that he would have caused trouble because of the \$1,000, but rather, just to bring to an end the whole thing, and if that is what it took to make him happy, then the \$1,000 at that moment was of small consequences.

Mr. Kennedy. Is that what it costs in Los Angeles to make Mickey

Cohen happy—\$1,000?

Mr. Levin. Mr. Kennedy---

Mr. Kennedy. You can see why this point would be raised, do you not?

Mr. VAUGHN. I don't know, sir.

Mr. Kennedy. But that is how much you had to pay?

Mr. Vaughn. That is what was paid; yes, sir.

Mr. Kennedy. Did you have any other financial dealings with Mr.

Cohen ?

Mr. VAUGHN. Sometime during that second week Mr. Cohen called me and asked me to loan him \$3,000 for a few days, which I agreed to do. And that same night his attorney came to my room and secured two checks totaling \$3,000.

Mr. Kennedy. His attorney was Mr. Edward Gritz?

Mr. VAUGHN. That is right sir.

Mr. Kennedy. He came to your room that night?

Mr. VAUGHN. Yes, sir.

Mr. Kennedy. And you gave him two checks, one for \$1,150 and one for \$1,850?

Mr. Vaughn. That is right, sir.

Mr. Kennedy. Each made payable to Michael Cohen?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. The checks were endorsed over as loan to Michael Cohen; is that right?

Mr. VAUGHN. Yes, sir.

Mr. Kennedy. You drew those two checks against your personal account?

Mr. Vaughn. Yes, sir.

The CHAIRMAN. I present to you what purport to be photostatic copies of the two checks to which you have referred. I ask you to examine them and state if you identify them as such.

(The documents were handed to the witness.)

Mr. Vaughn. They are correct, Senator.

The Chairman. They may be made exhibit No. 65. The smaller one will be No. 65 and the larger one will be 65-A.

(Checks referred to were marked "Exhibits 65 and 65-A" for reference and will be found in the appendix on pp. 17681, 17682.)

Mr. Kennedy. Why did you loan \$3,000 to Mickey Cohen?

Mr. VAUGHN. Well, in the back of my mind I guess one of the reasons was that I knew I had a commitment to him or Mr. Sica in March, and that if he didn't pay me back that the \$3,000 would be part of that \$5,000 that had to be paid in March.

Mr. Kennedy. Did you have any conversation with him at the time

you made the loan of \$3,000 to that effect?

Mr. VAUGHN. No, not at the time the loan was made; no, sir.

Mr. Kennedy. Subsequently you did?

Mr. VAUGHN. At the end, just before I left Los Angeles, I told Mr. Cohen that that could be considered part of the \$5,000 that I owed in March.

Mr. Kennedy. He was going to originally pay you back within a few days, but then it was arranged when you were leaving Los Angeles

that he would apply the \$3,000 to the \$5,000 that you were going to give him for remaining neutral, the second \$5,000; is that right?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. That was the last occasion on which you saw Mr. Cohen; is that right?

Mr. Vaughn. Yes, that was the last occasion that I saw Mr. Cohen.

Mr. Kennedy. You were subsequently repaid by a personal check for \$3,000 from Mr. Seedman for that loan that you made to Mr. Cohen; is that correct?

Mr. VAUGHN. That is correct, sir.

Mr. Kennedy. You were paid that \$3,000 on December 24, 1957?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. He, in turn, was reimbursed by the Rowe Service Co. for that \$3,000?

Mr. VAUGIIN. That I don't know, sir. Mr. Kennedy. He will be a witness.

Did Mr. Sica ever suggest—this was the colleague of Mr. Cohen who, incidentally, has 20 arrests and 7 convictions, and was going to remain neutral also—did he ever suggest that his son be placed on the payroll of the Rowe Co.?

Mr. Vaughn. Well, I was very fond of his son. I thought he had a fine boy. I thought that he would make a good salesman. He did

suggest it and I recommended him to Mr. Seedman.

Mr. Kennedy. So was Fred Sica's son placed on the payroll of the Rowe Co.?

Mr. VAUGIIN. It is my understanding that in late January he was placed on the payroll; yes, sir.

Mr. Kennedy. This would be January of 1958; is that right?

Mr. Vaugiin. Yes, sir.

Mr. Kennedy. How long did he remain? Do you know?

Mr. VAUGHN. I believe a relatively short time, sir; under a month. That is my understanding.

Mr. Kennedy. From January 18 until February 4; would that be correct?

Mr. Vaughn. I couldn't talk as to dates on that, sir. Mr. Kenneby. Do you know what salary he received?

Mr. VAUGIIN. No, sir; I do not.

Mr. Kennedy. Could we call an investigator on that matter Mr. Chairman? Mr. May,

The Chairman. Come forward, Mr. May. You have not been sworn in this series of hearings have you?

Mr. May. No. I have not, Mr. Chairman.

The Chairman. Be sworn.

You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. May. 1 do.

TESTIMONY OF WALTER R. MAY

The Chairman. State your name, your place of residence, and your business or occupation.

Mr. May. Walter R. May, Arlington, Mass., assistant counsel for

this committee.

The Charman. Proceed.

Mr. Kennedy. What do the payroll records of the Rowe Co. show

as far as Jerry Sica is concerned?

Mr. May. The payroll records show that Jerry Sica received \$300 in salary and \$103.15 in expenses for a period embracing 11 working days, a total of \$408.15.

Mr. Kennedy. So it is \$108-

Mr. May. \$108.

Mr. Kennedy. For expenses?

Mr. May. For expenses.

Mr. Kennedy. Do you know why his employment was terminated?

TESTIMONY OF THOMAS A. VAUGHN, ACCOMPANIED BY COUNSEL, EMIL N. LEVIN—Resumed

Mr. Vaughn, Mr. Seedman said he was not satisfactory, is my understanding.

The CHAIRMAN. What?

Mr. Vaughn. That he was not satisfactory.

The Chairman. In other words, his services were not satisfactory.

Mr. VAUGHN. That is right.

The CHAIRMAN. He was discharged? Mr. VAUGHN. I believe that is right, sir.

The CHAIRMAN. Either that or you can say fired.

Mr. VAUGHN. I didn't have anything to do with it, sir, so I couldn't answer directly.

Mr. Kennedy. In March of 1958, did you return to Los Angeles? Mr. Vaughn. Yes, sir.

Mr. Kennedy. Had you had a telephone conversation with Mickey Cohen prior to that time?

Mr. Vaugiin. Yes, sir.

Mr. Kennedy. What was that in connection with?

Mr. Vaughn. Well, I had this oral IOU due in March, and I said that I was coming out to Los Angeles to honor my obligation. Mr. Cohen said that he would not be in Los Angeles, but since the money was Mr. Sica's, I should give it to him anyway.

Mr. Kennedy. So you only owed now some \$2,000? Mr. Vaughn. Yes, sir.

Mr. Kennedy. You paid \$8,000? Mr. Vaughn. Yes, sir.

Mr. Kennedy. So you arrived in Los Angeles. Did you visit with Fred Sica?

Mr. Vaugiin. Yes, sir.

Mr. Kennedy. And at that time you had dinner with him, and Nelson Barrios, and Tony Giacoma; is that right?

Mr. VAUGHN. I don't recall that Mr. Sica had dinner with us, sir.

Mr. Kennedy. You all were not there together?

Mr. Vaughn. No. sir.

Mr. Kennedy. When did you see Mr. Sica then? You didn't see him at diner at all?

Mr. Vaughn. I saw him that night. He came to the table where I was dining, sir.

Mr. Kennedy. You were dining with these other individuals?

Mr. VAUGHN. These other two gentlemen; yes, sir.

Mr. Kennedy. What conversation did you have with him that night?

Mr. VAUGHN. Well, the result was that we went in to the bar and I

handed Mr. Sica \$2,000.

Mr. Kennedy. That was in cash?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. And how were you reimbursed for that money?

Mr. VAUGHN. Mr. Seedman reimbursed me for that money. Mr. Kennedy. You received a \$3,000 check on March 13-

Mr. Vaughn. Excuse me. Originally I borrowed the money from my own company, and then later on I borrowed \$3,000, and then later on Mr. Seedman reimbursed me for the \$2,000.

Mr. Kennedy. For how much?

Mr. Vaughn. For \$2,000 that I owed. I borrowed \$3,000 for the expenses, et cetera, as a personal loan to me from my company.

Mr. Kennedy. That would be \$2,000 to pay to Sica and another

\$1,000 for your expenses; is that right?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. Ultimately Seedman reimbursed you for \$2,000?

Mr. VAUGHN. That is right, sir.

Mr. Kennedy. Did you have any other financial arrangements with

Mr. Cohen?

Mr. Vaughn. One more. In May of 1958 Mr. Cohen called me and told me that he needed some money for a short period of time, and asked if I would loan it to him. I couldn't loan him the amount that he asked, but I did loan him \$1,000.

Mr. Kennedy. He asked for how much?

Mr. Vaughn. Well, he wanted more than \$1,000. I got the impression that he wanted perhaps \$2,500 or so.

Mr. Kennedy. But you agreed to loan him \$1,000?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. Did you forward him a check for \$1,000?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. And he said at that time he would repay you in 10 days?

Mr. Vaugun. That is right, sir.

Mr. Kennedy. Did he repay you in 10 days?

Mr. Vaughn. No, sir.

Mr. Kennedy. Did you telephone him then to try to get the money back?

Mr. Vaughn. He called me in 10 days and volunteered to pay it back at that time, but he asked me if I could wait a short while longer. I said that I could. He said he would pay me in July. Then in July I did call him to repay the money.

Mr. Kennedy. So did you then receive a check from him?

Mr. Vaughn. Not from Mr. Cohen. Mr. Kennedy. Who was the check from?

Mr. Vaughn. I believe the check was from his sister.

Mr. Kennedy. A check drawn on the Carousel?

Mr. Vaugun. I don't have a copy of that check, sir.

Mr. Kennedy. The Carousel is an ice cream parlor operated by Cohen's sister, Lillian Weiner. The check was from Lillian Weiner, was it not?

Mr. Vaughn. The check was from Lillian Weiner; yes, sir.

Mr. Kennedy. Did the check bounce?

Mr. Vaugiin. Yes.

Mr. Kennedy. Did you redeposit the check?

Mr. Vaughn. Yes, İ did. Mr. Kennedy. And it was good then?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. You received \$3,558.53 from the Rowe Service Co. to cover your expenses incurred on behalf of Rowe in Los Angeles from November 17 through December 14, 1957?

Mr. VAUGHN. That is right, sir.

Mr. Kennedy. I have just a couple of other questions. Why did

you go to Los Angeles in the first place?

Mr. Vaughn. Well, as I have said before, I volunteered to go out and help my friend, and after I volunteered twice then he called me and said he would like to have me come out.

Mr. Kennedy. The other question I would like to ask you is: Did you believe that Mickey Cohen and Sica were actually working for

the Coast Co.?

Mr. Vaughn. In retrospect; no.

Mr. Kennedy. Did you at the time?

Mr. Vaugun. I had no way of knowing at the time, sir.

Mr. Kennedy. But yet you would be willing to pay out \$10,000? (The witness conferred with his counsel.)

Mr. Kennedy. If you weren't sure of it, you would still be willing

to pay out \$10,000 to have him remain neutral?

Mr. Vaughn. I assumed it was true, and I certainly didn't want to take the risk of having Mr. Sica and Mr. Cohen working for Coast.

Mr. Kennedy. Do you consider \$10,000 in your business a large

amount of money?

Mr. Vaughn. Yes, sir.

Mr. Kennedy. Wasn't that a considerable amount of money to pay

for someone to remain neutral in this kind of a fight?

Mr. VAUGHN. In view of the story that I had been told, that he had been offered \$20,000, that Mr. Sica had been offered \$20,000, it was the best deal that I could make, sir.

Mr. Kennedy. Did you ever check to find out if he had, in fact,

been offered \$20,000?

Mr. Vaughn. Not to my knowledge, sir. I have never asked any-I tried to keep quiet.

Mr. Kennedy. Didn't you at the time, before you put out \$10,000, didn't you try to find out then?

Mr. VAUGHN. No, sir; I did not.

Mr. Kennedy. This was all deducted, was it not, as an expense on your company books?

Mr. Vaughn. I don't know how that was handled, because it was

not my money.

Mr. Kennedy. Well, the Rowe Co. gave you a company check. You received a company check from the Rowe Co.?

Mr. Vaughn. The Rowe Service Co. Mr. Kennedy. The Rowe Service Co.?

Mr. VAUGHN. Yes, sir.

Mr. Kennedy. Would you ordinarily, under circumstances such as this, if somebody came to you and said, "I am going to possibly work for another company," would you pay them that amount of money or a similar amount to remain neutral in a fight like this?

Mr. VAUGHN. It would depend upon the circumstances at that

time, sir.

Mr. Kennedy. Have you done anything like that any other time? Mr. Vaughn. No, sir; never before, sir.

Mr. Kennedy. Have you done it since then?

Mr. Vaugiin. No, sir.

Mr. Kennedy. Do you think it is a practice that you feel should be followed?

Mr. VAUGIIN. No, sir.

Senator Curtis. Mr. Chairman——The Chairman. Senator Curtis?

Senator CURTIS. What could Mr. Cohen and Mr. Sica do if they didn't remain neutral? What was the practical situation you were facing?

Mr. VAUGHN. Well, I felt that I didn't know Mr. Sica and I knew Mr. Cohen only by reputation, and I felt that he had a great deal of influence in southern California.

Senator Curtis. With whom?

Mr. Vaughn. With the types of establishments where cigarette machines are ordinarily placed.

Senator Curtis. What type of establishments are those?

Mr. Vaughn. Cocktail lounges, restaurants, nightclubs, neighborhood barrooms.

Senator Curtis. How did he exercise that influence?

Mr. Vaughn. That I do not know, sir.

Senator Curtis. You don't know whether he had a trade association?

Mr. VAUGHN. No, sir.

Senator Curtis. Or a union, or what he had?

Mr. Vaughn. No, sir.

Senator Curtis. Did he have them organized in any way, to your knowledge?

Mr. Vaugiin. No, sir.

Senator Curris. Did you have any knowledge, directly or indirectly, how he enforced his influence?

Mr. Vaughn. No, sir.

Senator Curtis. You hadn't heard any reports?

Mr. Vaugun. No, sir.

Senator Curtis. But you had an idea that if you were going to have vending machines in cocktail lounges and bars and so on, you should make your peace with Cohen and Sica?

Mr. Vaugin. I thought it would be advisable at that time, Senator;

yes, sir.

Senator Curtis. Would you say that the information you had was probably available to anyone who might have been close to the same business that you were in?

Mr. Vaugun. I don't know exactly what you mean by the question, sir.

Senator Curris. Did you get any special information direct to you?

Mr. VAUGHN. Well, as I say, I only know Mr. Cohen by reputation, what I have read in the newspapers and so forth. Mr. Seedman, on Sunday, verified to me that Mr. Cohen—

Senator Curtis. What is that reputation of Mr. Cohen in the news-

papers?

Mr. VAUGIIN. Well, that he has been extremely active in southern California.

Senator Curtis. Active in what?

Mr. Vaughn. What he has done, I don't know. But he has had the reputation, according to the newspapers, of being a tough guy.

Senator Curtis. Sometimes in rackets?

Mr. Vaughn. I think the newspapers said that. I didn't know,

myself, by personal knowledge.

Senator Curtis. May I ask the staff? Do we know that Cohen's and Sica's organization for enforcing their influence was? Was it a trade association? Was it a union? What was involved?

Mr. Kennedy. I think, Mr. Senator, that Fred Sica's attractiveness was the fact that he was out of jail and had been arrested 20 times and had 7 convictions. Mickey Cohen's attractiveness was the fact that he was tied up with all the leading gangster figures and individuals in the Hollywood and southern California area, who feel that it is smart and helpful to be associated with gangsters. Therefore, they have influence on those kinds of people.

Senator Curtis. But what was their apparatus to reach out and make that influence known to these business places that might put

in a vending machine?

Mr. Kennedy. This is a perfect example of it. Here is a large company that is willing to pay \$10,000 for him just to stay out of the company. There are large companies in the United States who want to be associated and who have become associated with gangsters

in order to help their business.

That is the reason that these kinds of people can survive. They get payments from management in order to get further business for themselves, in order to take away stops, locations, business from their competitors. Management in the United States is willing to make these kinds of payoffs because these men have criminal and underworld connections.

The CHAIRMAN. Are there any further questions?

Senator Capehart.

Senator Capehart. Did you approach Mr. Cohen or did he approach you?

Mr. VAUGHN. The meeting was arranged, I think quite

accidentally---

Senator Capehart. Accidentally, did you say?

Mr. Vaugin. Yes, sir. My friend McCoy was helping me and it came to Mr. Cohen's attention and he called Mr. McCoy and asked him why he was helping me.

The specific answer I should have answered was that I did not seek

Mr. Cohen out.

Senator Capehart. My question was: Did you approach Mr. Cohen to hire him to help you, or did Mr. Cohen approach you to sell his services to you?

Mr. Vaugun. The answer to both those questions, sir, is no.

Senator Capehart. How could it be no on both?

Mr. Vaughn. Well, we never sought Mr. Cohen's help, nor did he at the time of the first interview—the first interview, now—seek ours at that time. He related to me that Mr. Sica had been offered a position by the competing company.

Senator CAPEHART. See if I understand the situation.

There was very, very rough competition in Los Angeles between two companies, Rowe and Northeast Cigarette Vending Machine Co.

Mr. Vaughn. Yes, sir.

Senator Capehart. They were competing for business?

Mr. Vaughn. Yes, sir.

Senator Capehart. They were competing for business.

Mr. Vaughn. Yes, sir.

Senator Capehart. And you went out there to help the Rowe Co.?

Mr. Vaughn. Yes, sir.

Senator Capellart. My question is: Did you approach Mr. Cohen

to help the Rowe Co., or did Mr. Cohen approach you?

Mr. Vaughn. To that specific question, I would have to say no, again, to both questions, because it came out of a discussion at no time, and the money was only paid for neutrality.

Senator Capehart. But you did approach Mr. McCoy to help you?

Mr. VAUGHN. To help me; yes, sir.

Senator Capehart. And Mr. McCoy was a friend of Mr. Cohen's? Mr. Vaughn. I did not know that at the time, sir.

Senator Capehart. You did not know that?

Mr. Vaughn. No, sir.

Senator Capehart. What did you know about Mr. McCoy that led you to believe he could help you in Los Angeles?

Mr. Vaughn. I had only met him the week previously to my being

in California the first time.

Senator Capehart. What did he tell you at that meeting that led

you to believe that he could help you?

Mr. Vaughn. Well, he didn't offer any promises, sir. He said, because we had mutual friends in New Orleans, he said that he would do all that he could to help me, that if there was anything that he thought he could do he would be glad to do it.

Senator Capenart. Then you employed him?

Mr. Vaughn. Mr. McCoy? No. sir.

Senator Capemart. You asked him to help you?

Mr. Vaugun. Asked him to help us; yes, sir.

Senator Capeharr. Then he brought Mr. Cohen to you?

Mr. VAUGHN. My understanding, sir, is that Mr. Cohen called him on the phone.

Senator Capeharr. How would Mr. Cohen know anything about you looking for help or needing help?

Mr. Vaughn. We weren't looking for help, except—

Senator Capemarr. How would Mr. Cohen know that you were out there if somebody didn't tell him?

Mr. Vaughn. The only answer I could think of would be Mr. McCoy's efforts on my behalf came to the attention of Mr. Cohen.

Senator Capemart. I see. Then Mr. Cohen came to you and offered his services?

Mr. Vaugiin. No, sir; he did not offer his services.

Senator Capehart. Do you mean—well, you did pay him money?

Mr. VAUGHN. That was not to accept another offer that he told me that he had, that Mr. Sica had.

Senator Capemart. In other words, he offered you his services by agreeing not to go to work for the other company?

Mr. VAUGHN. Not to do anything at all, stay neutral; don't help

us; don't hurt us.

Mr. Kennedy. I might say, Senator, that McCoy has a very bad background. He is a disbarred fight manager, an important figure out there, and an associate of such notorious figures, including Mickey Cohen and the Sicas, Frankie Carbo, Blinky Palermo; Cecil G. Imes, who spent some time in the penitentiary for robbery and a second case of robbery; and Barney Geigerman, who is Frank Costello's brother-in-law—most of the notorious big gangsters in the country. He is the one you went to to make these contacts on the west coast.

Senator Capemart. Was there any connection whatsoever between your activities out there any time and any labor organization?

Mr. Vaughn. At no time, sir.

Senator Capehart. At no time; there was no connection with any labor organization?

Mr. Vaughn. No, sir.

Senator Capellart. Do you have any suggestions to make to this committee as to what sort of legislation we might pass, enact, to clear up the matter we are investigating and studying?

Mr. Vaughn. No, sir. I know there are more limber minds than

mine working on that problem.

Mr. Kennedy. Of course, you don't know the connection that Mickey Cohen had with labor organizations?

Mr. Vaughn. No, sir.

Mr. Kennedy. Do you know what union the employees of the company were in in Los Angeles?

Mr. Vaughn. No, sir.

Mr. Kennedy. You don't know anything about the labor connection then?

Mr. Vaughn. No, sir.

Mr. Kennedy. Or any of the activities of Frank Matula or any other Teamster official?

Mr. Vaughn. No, sir.

Mr. Kennedy. So in answer to Senator Capehart's question, the answer would have been better that you don't know, rather than that there was no labor connection.

Mr. Vaughn. Well, I knew nothing of it. It never came to my attention, sir.

Mr. Kennedy. And you knew nothing of Mickey Cohen's connections as it was testified to this morning?

Mr. Vaughn. No, sir.

The Chairman. All right, Mr. Vaughn; thank you very much. You may stand aside.

Call the next witness.

Mr. Kennedy. Mr. William Breen.

The CHAIRMAN. Mr. Breen, come forward.

Mr. Breen, be sworn.

Do you solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Breen. I do.

TESTIMONY OF WILLIAM BREEN, ACCOMPANIED BY COUNSEL, ARTHUR J. CROWLEY

The Chairman. Mr. Breen, state your name, your place of residence, and your business or occupation, please, sir.

Mr. Breen. William E. Breen, 5919 Overhill Drive, Los Angeles.

The CHAIRMAN. What is your business or occupation?

Mr. Breen. I am a salesman for Coast Cigarette Vendors.

The Chairman. Salesman?

Mr. Breen. Yes.

The Chairman. You have counsel, Mr. Breen?

Mr. Breen. Yes, sir.

The Charman. Counsel, identify yourself for the record.

Mr. Crowley. My name is Arthur J. Crowley. My office is at 515 Taft Building, Hollywood and Vine, Hollywood, Calif. I am counsel for Coast Cigarette Vendors, by which this gentleman is employed.

The CHAIRMAN. Thank you.

Proceed, Mr. Kennedy.

Mr. Kennedy. Mr. Breen, you are employed as a salesman, is that right; for Coast Cigarette Vendors?

Mr. Breen. Yes, sir.

Mr. Kennedy. You met Fred Sica and Mickey Cohen in the middle of 1957?

Mr. Breen. Yes.

Mr. Kennedy. Prior to that time, you had had some talk with certain individuals, including a man by the name of Aubrey Stemler about putting some money in a route of coffee vending machines, for which Mr. Stemler was a franchised dealer; is that right?

Mr. Breen. Yes.

Mr. Kennedy. And you were considering taking over a route if you were able to get such a company going; is that right?

Mr. Breen. Yes, sir.

Mr. Kennedy. When you visited Stemler in the middle of 1957, Mr. Sica was present; is that correct?

Mr. Breen. Yes.

Mr. Kennedy. And you were talking about the possibility of getting into such a company or establishing such a company?

(The witness conferred with his counsel.)

Mr. Breen. Yes.

Mr. Kennedy. At that time, was there some conversation in connection with Mr. Sica and Mr. Cohen going to work for the company and attempting to get routes or get locations?

Mr. Breen. No.

Mr. Kennedy. Was there subsequently?

Mr. Breen. No.

Mr. Kennedy. Was there any discussion about Mr. Sica and Mr. Cohen having anything to do with the company?

Mr. Breen. No.

Mr. Kennedy. Was there ever any discussion along those lines?

Mr. Breen. No.

Mr. Kennedy. Was Mr. Cohen's name brought up?

Mr. Breen. Yes.

Mr. Kennedy. In connection with what?

Mr. Breen. Well, it seems he had some money to invest, but it was just general conversation.

Mr. Kennedy. He was going to come in the company, and it was a question of having him give his money and to invest in the company?

Mr. Breen. Not as far as I was concerned.

Mr. Kennedy. Was there some discussion along those lines?

Mr. Breen. There was some discussion.

Mr. Kennedy. Was it also discussed that he would help you get business?

Mr. Breen. It was discussed; yes.

Mr. Kennedy. That is all I asked you a couple of minutes ago. It was discussed that he would help and assist, he and Mr. Sica would help this company get some business.

Mr. Breen. Yes, sir.

Mr. Kennedy. That Mr. Cohen would invest some money and also attempt to get some locations for the company.

Mr. Crowley. Are you talking about the coffee vending business

or Coast, now?

Mr. Kennedy. The coffee vending.

Mr. Cowley. Which had nothing to do with Coast.

Mr. Kennedy. Isn't that correct?
Mr. Breen. What is the question?

Mr. Kennedy. There was discussion about Mr. Cohen investing in this company, and also Mr. Cohen and Mr. Sica getting some locations for this company.

Mr. Breen. Yes, there were discussions.

Mr. Kennedy. Then did you decide you would go and visit with Mr. Cohen and discuss this?

Mr. Breen. Well, that was during the time I met Mr. Cohen.

Mr. Kennedy. Did you go and visit with Mr. Cohen?

Mr. Breen. Yes, sir.

Mr. Kennedy. Was Mr. Cohen at the first meeting in Mr. Stemler's office?

Mr. Breen. No.

Mr. Kennedy. Then it was the first meeting that you had with Mr. Cohen, in Mr. Cohen's home?

Mr. Breen. Yes, sir.

Mr. Kennedy. You went out there, and who else? Mr. Sica was there?

Mr. Breen. Yes, sir.

Mr. Kennedy. And yourself?

Mr. Breen. Yes, sir.

Mr. Kennedy. And Mr. Stemler?

Mr. Breen. That is right.

Mr. Kennedy. And at that time, it was discussed about Mr. Cohen and Mr. Sica doing some work for the company; is that right?

Mr. Breen. Yes, sir.

Mr. Kennedy. Was any final decision made at that time?

Mr. Breen. No.

Mr. Kennedy. Now, in November of 1957 did you have another conversation with Mr. Stemler and Mr. Sica?

Mr. Breen. Mr. Sica and not Mr. Stemler.

Mr. Kennedy. At that time there was this dispute going on between the Coast Co. and the Rowe Cigarette Service Co.; is that right?

Mr. Breen. Yes, sir.

Mr. Kennedy. What conversation did you have with Mr. Sica in connection with that?

Mr. Breen. He said he could get Coast some locations, for

cigarette machines.

Mr. Kennedy. Mr. Sica said that?

Mr. Breen. Yes, sir.

Mr. Kennedy. He could get some locations?

Mr. Breen. Yes, sir.

Mr. Kennedy. Did you tell him that you would be willing to hire him to help get the locations?

Mr. Breen. No, I said I wouldn't, no. Mr. Kennedy. What conversations did you have?

Mr. Breen. He wanted me to set up an appointment with Mr. Carr,

of our company.

Mr. Kennedy. What did he indicate to you at that time? How much would you pay ordinarily for a location, for somebody who got a location?

Mr. Breen. \$25, \$50, or \$100.

Mr. Kennedy. For each location they were able to obtain?

Mr. Breen. Yes, sir.

Mr. Kennedy. Did he tell you how much money he wanted to go to work?

Mr. Breen. He said he wasn't interested in that at all, and that he was interested in to meet Mr. Carr, and fifty or one hundred dollars wasn't anything to him and he was interested in something about \$25,000.

Mr. Kennedy. Something like \$25,000?

Mr. Breen. Yes, sir.

Mr. Kennedy. So what did you say?

Mr. Breen. Well, I said that I would speak to Mr. Carr.

Mr. Kennedy. And you went and talked to Mr. Carr and he was the head of the company?

Mr. Breen. Yes, sir.

Mr. Kennedy. You went and had a conversation with Mr. Carr?

Mr. Breen. Yes, sir.

Mr. Kennedy. What did Mr. Carr say to you?

Mr. Breen. He asked me who Fred Sica was, and I told him that I thought he was an associate of Mickey Cohen, and Mr. Carr said he wasn't interested.

Mr. Kennedy. He didn't want to hire him?

Mr. Breen. That is right.

Mr. Kennedy. And you were to go back and to inform him as gently as possible that the company was not willing to pay him the \$25,000?

Mr. Breen. That is right.

Mr. Kennedy. And subsequently, you did relate this to him, that

the company would not pay him the \$25,000?

Mr. Breen. No, that wasn't that conversation. He called and he wanted to know if I had set up an appointment for him and I told him no.

Mr. Kennedy. Did you relate to him subsequently that no financial arrangements could be made?

Mr. Breen. We didn't discuss it.

Mr. Kennedy. You just told him that you couldn't set up the appointment?

Mr. Breen. Yes, sir.

Mr. Kennedy. What did he tell you then?

Mr. Breen. He told me to relate to Mr. Carr, to get busy and do something about it, because he didn't want to waste his time.

Mr. Kennedy. What steps did he indicate he was going to take if

Mr. Carr did not hurry up?

Mr. Breen. He intimated that somebody else would be interested in their services if we weren't.

Mr. Kennedy. Did he tell you who these people were?

Mr. Breen. Well, not in so many words.

Mr. Kennedy. What did he tell you about them?

Mr. Breen. He just said that somebody else would be interested in the services if we weren't.

Mr. Kennedy. Did he tell you that some people had come into the

Mr. Breen. He said there are some people in from the East, and he wanted to impress Mr. Carr that if he wanted to do anything to get busy.

Mr. Kennedy. And these people from the East they would go to work for Mr. Carr and your company didn't hire them?

Mr. Breen. No, I don't think that was the idea.

Mr. Kennedy. Did he say anything to the effect, or did he call them, "The boys are coming in from the East to do this job?

Mr. Breen. My impression was that "the boys from the East" had

to do with our opposition.

Mr. Kennedy. And Mr. Carr better make up his mind quickly?

Mr. Breen. Yes, sir.

Mr. Kennedy. As far as you know, Mr. Carr nor the Coast Co. ever paid any money to Mr. Cohen; is that correct?

Mr. Breen. No.

Mr. Kennedy. Was that the end of it as far as you were concerned?

Mr. Breen. That was the end.

Mr. Kennedy. You never went into the coffee machine business?

Mr. Breen. No.

Mr. Kennedy. Nor did Mr. Sica or Mr. Cohen ever come to work for the Coast Co.?

Mr. Breen. No.

Mr. Kennedy. And as far as you know, the Coast Co. never paid Mr. Cohen or Mr. Sica any money; is that right?

Mr. Breen. That is right.

Mr. Kennedy. And you never made any offer to Mr. Sica or to Mr. Sica and Mr. Cohen to do any work for the Coast Co.?

Mr. Breen. No.

Mr. Kennedy. That is all, Mr. Chairman.

The Chairman. Are there any questions? Thank you very much. Senator Curtis. I want to ask, Did any difficulties follow by reason of your rejection of this proposed connection with Cohen and Sica?

Mr. Breen. Not to my knowledge.

Senator Curtis. For the record, tell us how the Coast cigarette vending business operates. It is purely a merchandising operation and there are no prizes or anything?

Mr. Breen. No.

Senator Curts. The company owns the machine; is that right?

Mr. Breen. Yes.

Senator Curtis. And you place it in somebody's business?

Mr. Breen. That is right.

Senator Curtis. And then you have someone service it that fills it with cigarettes and checks out the cash; is that right?

Mr. Breen. Yes, sir.

Senator Curtis. What compensation does the owner of the location receive?

Mr. Breen. He gets a percentage of his sales.

Senator Curtis. Percentage of his sales?

Mr. Breen. Yes, sir.

Senator Curtis. And you went ahead so far as you know, the Coast Cigarette Vendors, without being molested in any way because you rejected this connection with Sica and Cohen?

Mr. Breen. Nothing whatsoever.

The Chairman. All right. Thank you.

Call the next witness.

Mr. Kennedy. Mr. Carr.

The Chairman. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. CARR. I do.

TESTIMONY OF MYER CARR, ACCOMPANIED BY COUNSEL, ARTHUR J. CROWLEY

The CHAIRMAN. State your name, your place of residence, and your

business or occupation, please.

Mr. Carr. My name is Myer Carr, and I am also known as "Mike" Carr, and my address is 6546 West Olympic Boulevard, Los Angeles, Calif., and I am vice president of the Los Angeles Cigarette Service, Inc., doing business as Coast Cigarette Vendors.

The CHAIRMAN. Let the record show that same counsel appeared

for this witness as appeared for the previous witness.

Proceed, Mr. Kennedy.

Mr. Kennedy. Now, as background for your company, as of December 31, 1957, the company had 1,632 machines and 267 jukeboxes on location.

Mr. Carr. That is approximately correct.

Mr. Kennedy. You have been connected with the Coast Co. for some 6 years; is that right?

Mr. CARR. That is correct.

Mr. Kennedy. This company was previously known as the National

Vending Co., until it merged with Continental.

Mr. Čarr. No, sir; this is an independent California corporation. Both National and Coast were taken over by the Continental industries.

Mr. Kennedy. Now, you started, or Rowe started to take away some of Coast locations in approximately October of 1957; is that right?

Mr. CARR. Yes, sir; and prior to that also.

Mr. Kennedy. And they did this by offering bonuses and what you feel were excessive commissions!

Mr. Carr. That is true, sir.

Mr. Kennedy. And there were contracts that you had with various locations that were broken by the activities of this other company?

Mr. CARR. That is true.

Mr. Kennedy. You in turn then had to offer somewhat higher commissions in order to keep these locations or get new locations?

Mr. Carr. Yes, sir.

Mr. Kennedy. And the battle started between the two companies?

Mr. Carr. That is correct.

Mr. Kennedy. That went on through October and November and December of 1957!

Mr. Carr. That is true, sir.

Mr. Kennedy. For instance, from October 1, 1957, through December 11, 1957, the company paid a total of \$164,665 as advance commissions or bonuses to secure some 121 music or cigarette locations; is that correct?

Mr. Carr. That is correct.

Mr. Kennedy. But you always pay some bonuses, you always pay some advance?

Mr. Carr. That is a practice in our business.

Mr. Kennedy. This figure would have been higher than you would ordinarily have paid if this kind of a battle had not been going on, but you always pay some advance and some bonuses?

Mr. CARR. That is correct.

Mr. Kennedy. Now, were you told by your salesman, Mr. Breen, that Fred Sica had offered to obtain locations for Coast?

Mr. Carr. Yes, sir.

Mr. Kennedy. Would you relate to the committee what you were

told about that, and what you did?

Mr. Carr. I was told that they wanted to get locations for us, and I believe he stipulated a price of \$25,000, but I am not sure of that, because as soon as I heard who Fred Sica was, I was horrified, and told him, "Look, our company doesn't do business with people like that," and just to tell them no, and tell him in a way so that he wouldn't become angry at us, because I didn't know what he could do, or what he would do.

Mr. Kennedy. You were told at that time that he had been an

associate of Mickey Cohen?

Mr. Carr. Yes, I asked him who Fred Sica was, and I didn't know the name.

Mr. Kennedy. And you turned down the offer of Mr. Sica to come to work for the company, and obtain locations for the \$25,000?

Mr. CARR. Definitely, we wouldn't have anything to do with it. That is against the policy of our company, to deal with people like that.

Mr. Kennedy. Did you pay directly or indirectly any money to

either Mr. Cohen or Mr. Sica?

Mr. CARR. At no time.

Mr. Kennedy. Now, you hired a private investigator by the name of Mr. Fred Otash?

Mr. Carr. Yes, sir, I did.

Mr. Kennedy. And the purpose of that was, or—what was the purpose?

Mr. CARR. To obtain information as to the manner in which they were taking locations from us and definitely breaking our contracts.

Mr. Kennedy. And in the course of that investigation that he made, Mr. Otash made miniphone recordings or recordings on miniphones? Mr. Carr. Yes, sir, he did.

Mr. Kennedy. Were you contacted by Mr. Otash or by anyone that Mr. Mickey Cohen was interested in listening to these recordings?

Mr. Carr. Yes, Mr. Otash called me one night and told me that Micked Cohen and one high official of the Rowe Co. were at his place, and had offered him some money to let them hear the recordings. I told him it was okay with me to go right ahead and do it because this would convince them that I had a good case in case I wanted to go to law, and this might resolve our situation.

Mr. Kennedy. Did you understand that Mr. Otash then received

some money for allowing these recordings to be heard?

Mr. Carr. Yes, sir, I understand that.

Mr. Kennedy. How much money did you understand?

Mr. Carr. Five hundred dollars.

Mr. Kennedy. Do you know from whom he received that money?

Mr. Carr. No, sir, I do not know the party involved.

Mr. Kennedy. Was it your understanding that Mickey Cohen and Mr. Sica were then working for the Rowe Co.?

Mr. Carr. That was my impression, sir.

Mr. Kennedy. Now, in December of 1957, a meeting was arranged between George Seedman of the Rowe Co. and yours; is that right?

Mr. Carr. That is right.

Mr. Kennedy. And they decided there wasn't any good coming of the battle that you were conducting, and that peace would be made; is that right?

Mr. Carr. That is true, also the fact that we were both, that is in

our case at any rate with inadvertently breaking contracts.

Mr. Kennedy. So Rowe paid Coast some \$13,000; is that right?

Mr. Carr. That is correct, sir.

Mr. Kennedy. And peace was made between the two companies?

Mr. Carr. The payment of the money was merely for the sums owing on contracts that we had with various locations, in which we both had equipment and in which Rowe was operating and our equipment was either turned to the wall or we had not been able to put it in at all.

Mr. Kennedy. Anyway, this \$13,000 was paid over to your company?

Mr. CARR. That is correct, sir.

Mr. Kennedy. And peace reigned in Los Angeles?

Mr. CARR. As far as the cigarette industry was concerned, that is true.

Mr. Kennedy. That is all.

The Chairman. Are there any questions?

All right. Thank you.

Call the next witness.

Mr. Kennedy. Mr. Seedman.

The Chairman. Besworn.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Seedman, I do.

TESTIMONY OF GEORGE SEEDMAN, ACCOMPANIED BY COUNSEL, EMIL N. LEVIN

The Chairman. State your name, your place of residence, and your

business or occupation.

Mr. Seedman. My name is George Seedman. I live in the Los Angeles area. I am in the business of operating cigarette-vending

The Chairman. You have counsel?

Mr. Seedman. Yes, sir.

The Chairman. Counsel, identify yourself for the record, please.

Mr. Levin. Emil Levin, 31 South Clark Street, Chicago.

The CHAIRMAN. Proceed.

Mr. Kennedy. Mr. Seedman, you are president of the Rowe Service Co., Inc.?

Mr. Seedman. Yes, sir.

Mr. Kennedy. Which is a New Jersey corporation; is that right?

Mr. Seedman. Yes, sir.

Mr. Kennedy. Operating in the State of California at 2620 South Hill Street?

Mr. Seedman. That is correct, sir.

Mr. Kennedy. How big a company is that, Rowe Service?

Mr. Seedman. Well, it is a fairly— Mr. Kennedy. How many machines do you have?

Mr. Seedman. Approximately 2,700.

Mr. Kennedy. They are all in California or are they throughout the country?

Mr. SEEDMAN. No, just in California, in the Los Angeles area. Mr. Kennedy. Is that the biggest company in California?

Mr. Seedman. It is rather difficult to tell. We think we are one of

the largest, but I don't know how many machines other people have.

Mr. Kennedy. The principal business is the sale of cigarettes through the automatic merchandising machines?

Mr. Seedman. That is about the only thing we sell.

Mr. Kennedy. You do not operate any other type of automatic machine; is that right? You don't operate jukeboxes, or drink machines, or sales of food?

Mr. Seedman. That is correct.

Mr. Kennedy. In September or October 1957, you were engaged in a competitive situation with the Coast Cigarette Service Co. of Los Angeles?

Mr. Seedman. That is right.

Mr. Kennedy. In the course of which you had taken the Tiny Naylor account from the Coast Co.?

Mr. Seedman. That is right.

Mr. Kennedy. This is the Tiny Naylor account about which we have had testimony in connection with Mr. Cohen earlier this morning; is that right? Mr. Vaughn mentioned the Tiny Naylor account.

Mr. Seedman. Yes.

Mr. Kennedy. At the meeting of the National Automatic Merchandising Association in Philadelphia, you were advised by Mr. Vaughn that the Coast Co. expected to go all-out in their battle with you?

Mr. Seedman. Yes, sir.

Mr. Kennedy. And he told you that he had spoken to Mr. Harold Roth, who was president of Coast, and they said that they were preparing for a real fight with you?

Mr. Seedman. That is right, sir.

Mr. Kennedy. And Vaughn at that time offered to assist you in any way he could? He was a longtime personal friend of yours?

Mr. Seedman. Yes, sir.

Mr. Kennedy. Soon after this, the company attempted and was active in taking away locations, as you were active in taking away locations from that company; is that right?

Mr. Seedman. Yes, sir.

Mr. Kennedy. Then you had some further conversation with Mr. Vaughn, and it was arranged for him to come to Los Angeles on approximately November 17, 1957?

Mr. Seedman. That is right.

Mr. Kennedy. And a few days after his arrival, he introduced you to Babe McCoy; is that right?

Mr. SEEDMAN. That is right, sir.

Mr. Kennedy. Did you know anything about Babe McCoy at that time?

Mr. Seedman. No, sir.

Mr. Kennedy. But he explained to you that Babe McCoy could be of help in securing locations; is that right?

Mr. Seedman. Yes, sir; that is about right.

Mr. Kennedy. Did you know Babe McCoy had been disbarred as a fight manager in the State of California?

Mr. Seedman. No, sir.

Mr. Kennedy. Did Mr. Vaughn also tell you that Mr. Sica and Mr. Cohen had contacted Mr. McCoy?

Mr. Seedman. Yes. That was some time later.

Mr. Kennedy. Subsequently?

Mr. Seedman. Yes.

Mr. Kennedy. Did he suggest that you have an interview with Sica and Mickey Cohen?

Mr. Seedman. Not at that time; no, sir. Mr. Kennedy. Did McCoy set up an interview?

Mr. SEEDMAN. This I don't know, sir.

Mr. Kennedy. Did Mr. Vaughn report back to you that he had seen Mickey Cohen and Sica, and that he had asked them to stay out of this fight in Los Angeles?

Mr. SEEDMAN. Well, in the course of talking with him, I was told

that

(At this point Senator Curtis withdrew from the hearing room.)
Mr. Kennedy. Were you also told that they had been approached
by the Coast Co.?

Mr. Seedman. Yes, sir.

Mr. Kennedy. What had you understood were the financial arrangements with the Coast Co.?

Mr. Seedman. Just what I was told, that they were offered a cer-

tain amount of money to assist them getting our locations.

Mr. Kennedy. How much money!

Mr. Seedman. I think, if I remember correctly, it was about

\$25,000.

Mr. Kennedy. In the end of November 1957 you met with Vaughn again at the Ambassador Hotel. Did Mr. Vaughn tell you at that time that a payment could be made to keep Mickey Cohen out of the situation?

Mr. Seedman. Yes.

Mr. Kennedy. How much of a payment?

Mr. SEEDMAN. \$5,000.

Mr. Kennedy. Did you go along with that?

Mr. SEEDMAN. I did.

Mr. Kennedy. For what reason?

Mr. Seedman. Well, sir, he told me that this group was ready to work for Coast, and Vaughn assured me that that was so. I had had a newspaper clipping from the New York Post which indicated that Mr. Harold Roth had had certain connections previously with a group, this type of individual, and that sort of convinced me that perhaps Coast was interested, although frankly it was hard to believe.

Mr. Kennedy. That Mr. Harold Roth had used as distributors in

that company people with backgrounds of——

Mr. Seedman. I just don't remember the article, but I think it is in the possession of the committee, an article written in the New York Post.

Mr. Kennedy. That the company had used underworld connections

for the distribution?

Mr. Seedman. I am not sure just what the article says, but it had that implication.

Mr. Kennedy. And you thought that was sufficient for you to pay

\$5,000 to Mickey Cohen?

Mr. Seedman. Frankly, I didn't think it was sufficient, but Mr. Vaughn had made the arrangements and I went along with them.

Mr. Kennedy. Did you then make out a check for \$5,000 cash?

Mr. Seedman. Yes, I did. I made out a company check to myself, deposited it in my account, and I believe—no, I cashed the company check made payable to me.

Mr. Kennedy. And that was for \$5,000; is that right?

Mr. SEEDMAN. That is right, sir.

Mr. Kennedy. On November 27, 1957?

Mr. Seedman. If that is the date on the check; yes, sir.

The CHAIRMAN. I present to you a photostatic copy of the check, I believe, about which you are testifying. Examine it and state if you identify it.

(A document was handed to the witness.)

Mr. Seedman. Yes, sir, this is the check that I had photostated myself and turned over to the committee investigator.

The Chairman. It may be made exhibit 66.

(Document referred to was marked "Exhibit 66" for reference and will be found in the appendix on p. 17683.)

Mr. Kennedy. What did you relate to the company that that \$5,000

was for?

Mr. Seedman. Well, frankly, I didn't tell them anything about it the time.

Mr. Kennedy. Well, subsequently? You told them it was to keep Mickey Cohen neutral?

Mr. Seedman. I told them the complete story.

Mr. Kennedy. Do you know what they charged this to on the books? Mr. Seedman. It wasn't charged to expense and has not been taken as a deduction.

Mr. Kennedy. It has not?

Mr. Seedman. No, sir; it has not.

Mr. Kennedy. What was it charged to one the books? Do you know?

Mr. Seedman. I can't tell you exactly what it was charged to on the books.

Mr. Kennedy. Did you feel that it was an improper expenditure?

Mr. SEEDMAN. Yes, sir; I did.

Mr. Kennedy. Subsequently, you had lunch with Mr. Vaughn, at which time Vaughn handed the envelope containing the \$5,000 to Mickey Cohen; is that right?

Mr. Seedman. I think the envelope was handed to Mr. Sica.

Mr. Kennedy. You were all at lunch together?

Mr. Seedman. Yes.

Mr. Kennedy. And the \$5,000 was handed at that time, you believe, to Mr. Sica?

Mr. Seedman. Yes, sir.

Mr. Kennedy. Did Mr. Vaughn tell you subsequently that it was going to cost you another \$5,000?

Mr. Seedman. Yes, sir; he did.

Mr. Kennedy. Did you approve of that?

Mr. Seedman. I still don't approve of it, but I paid it.

Mr. Kennedy. Why did you pay a total of \$10,000, to keep Mr. Cohen neutral?

Mr. Seedman. For several reasons, sir. First, I wanted to keep Cohen and his crowd from in any way infiltrating into our industry. That was the main and principal reason.

Secondly, I did it because of the commitment made by Mr. Vaughn,

which I felt I had to back, and I did.

Mr. Kennedy. The check for the second \$5,000 was, first, a check that was drawn for \$3,000, payable to yourself, which you deposited in your own account, and which is shown on the books as a loan to yourself, and then on the same day you mailed a check for \$3,000 to Vaughn; is that correct?

Mr. Seedman. That is correct, sir.

Mr. Kennedy. On your personal account?

Mr. Seedman. That is right, sir.

The CHAIRMAN. I hand you photostatic copies of the two checks. I ask you to examine them and state if you identify them.

(Documents handed to the witness.)

Mr. Kennedy. Yes, sir. These are the checks that I drew. I had them photostated and turned over to the investigator for the committee.

The Chairman. The one that is made from your company to you may be made exhibit 67; the other one may be made exhibit 67A.

(Checks referred to were marked "Exhibits 67 and 67A" for refer-

ence and will be found in the appendix on pp. 17684-17685.)

Mr. Kennedy. So that gave the first \$5,000, and this transaction here, on November 24, 1957, covers the \$3,000 out of the second \$5,000; is that right?

Mr. Seedman. That is correct, sir.

Mr. Kennedy. Around December 14, 1957, were you telephoned in the early morning hours?

Mr. Seedman. Yes, I was, sir.

Mr. Kennedy. By whom were you telephoned?

Mr. Seedman. Well, my memory has been refreshed on that. It was Tom Vaughn that called me from New Orleans.

Mr. Kennedy. What did he relate to you at that time? Mr. Seedman. Well, it was pretty early in the morning.

Mr. Kennedy. Well, generally.
Mr. Seedman. He told me that there were some important recordings that I should listen to, and he gave me a telephone number, Mr. Cohen's phone number, for me to call him, which I did.

Mr. Kennedy. And what did Mr. Cohen tell you?

Mr. Seedman. He told me to meet him at a certain place, and I met him. He drove me in his car to Mr. Otash's place.

Mr. Kennedy. What time in the morning was this?

Mr. Seedman. It was around somewhere between 2 and 3, I believe.

Mr. Kennedy. So you were asleep in your bed, you got out of bed, got dressed, and went down to Mr. Cohen to hear these recordings. Where did he take you to?

Mr. Seedman. He took me to Mr. Otash's apartment.

Mr. Kennedy. Did you listen to the recordings?

Mr. Seedman. Yes, I did.

Mr. Kennedy. Were they interesting?

Mr. Seedman. I don't know, because you couldn't hear anything on them.

Mr. Kennedy. Did you ever pay anybody for the privilege of lis-

tening to the recordings?

Mr. Seedman. I didn't pay anyone for the privilege of listening to them, but a commitment had been made, as I understand it, by Mr. Vaughn to pay Mr. Cohen for that privilege, and I reimbursed Mr. Vaughn.

Mr. Kennedy. How much was that for?

Mr. Seedman. Well, to the best of my recollection it was \$500, but they tell me that it was \$1,000. I know the check was made out for \$500. I am trying to think whether or not there was an additional \$500 paid. It may have been, but I am not certain.

Mr. Kennedy. Why would you pay \$500 to listen to jumbled

recordings?

Mr. SEEDMAN. I wish I had the right to answer to that question,

Mr. Kennedy, but I think it was just stupid.

Mr. Kennedy. Would you characterize the payment of the \$10,000 to Mickey Cohen and Mr. Sica the same way?

Mr. Seedman. More so.

Mr. Kennedy. You were stupid for \$11,000? Mr. Seedman. I was very stupid for \$11,000.

The CHAIRMAN. What do you think the purpose of it is? Has Cohen such a reputation out there that everybody is afraid of him and thinks they have to pay him off? Is that what it is?

Mr. Seedman. Senator, Mr. Cohen has a reputation on the west

coast.

The CHAIRMAN. For what?

Mr. Seedman. Well, the newspapers carry his stories all the time.

The Chairman. About what?

Mr. Seedman. About his various activities. The Chairman. All legitimate, I assume.

Mr. Seedman. Senator, I think that would be an erroneous assumption.

The Chairman. That would be an exaggerated statement?

Mr. Seedman. Yes, sir.

The Chairman. All right, let's talk about some that are not. What is his reputation about those that are not?

Mr. Seedman. I don't understand your question, sir. The Chairman. Well, you say he has a reputation.

Mr. Seedman. Yes, sir.

The CHAIRMAN. I asked you what about, and you said, "Well, the papers carry a lot about his activities." I asked, "Are they all legitimate?" and you said, "No." I said, "Let's talk about those that are not."

What are his activities that are not legitimate that the papers

report?

Mr. Seedman. I don't know, because I don't pay too much attention to them.

The Chairman. You paid \$11,000 worth of attention. Mr. Seedman. Yes, sir; I did, and I am sorry I did.

The Charman. I know, but that is enough to cause you to make a little imprint on your memory. What was involved here? You are paying off because you are afraid of the guy? Is that the truth about it?

Mr. Seedman. The truth about it is that we didn't want him operating for Coast Cigarettes Service. We had every reason to believe at that time that he and his group, whoever they were, and I don't know, would join forces with Mr. Breen and Mr. Carr and Coast Cigarette Service.

The Charman. So you just bought him off?

Mr. Seedman. Well, that is one way of putting it, Senator.

The Chairman. Have you got another way of putting it?

Mr. Seedman. Yes, sir.

The CHAIRMAN. All right, let us hear it.

Mr. Seedman. We paid this money out which, in our opinion, would keep these people out of this situation.

The CHAIRMAN. You bought him out, then, instead of off? Is there

a difference?

Mr. Seedman. Any way you put it, I think you would be right, Senator.

The Chairman. Either way?

Mr. Seedman. Yes.

The Charman. All right; proceed.

Mr. Kennedy. Subsequently, you paid Mr. Vaughn for the other \$2,000; is that right?

Mr. Seedman. Do you mean the final \$2,000?

Mr. Kennedy. Yes.

Mr. Seedman. Yes, sir.

Mr. Kennedy. So he was reimbursed for the whole \$10,000?

Mr. Seedman. That is exactly right.

Mr. Kennedy. Do you think it is wrong for a company such as

yours or any company to make these kinds of payments?

Mr. Seedman. I think it is very wrong for any company under any circumstances to pay anyone except for legitimate services. Our company is no exception.

The Charman. Do you regard this as legitimate services? Or did you feel you had to do it for self-protection of your business? That

is what I am trying to find out.

Mr. Seedman. Senator, it wasn't——

The Charman. Has this man Cohen such a reputation out there

that he instills fear and terror in people?

Mr. Seedman. May I say this: that I met with Mr. Cohen on three occasions, and on each occasion he acted in a very gentlemanly manner, with no threats of any kind. As far as I was concerned, the times I met with him he was a gentleman in every way.

The CHAIRMAN. That is a pretty good price to pay a gentleman for

a shakedown.

Mr. Seedman. Sir, we didn't regard it as a shakedown in that way, but perhaps it was.

The CHAIRMAN. All right.

Mr. Kennedy. When he was described as a gentleman at all times, did you feel he was a gentleman when he said he had been offered a

contract for \$50,000 to put your lights out?

Mr. Seedman. I was told that, Mr. Kennedy, along about March, and I didn't believe it. I thought it was so much poppycock. It might have been a little puffing. I don't think there is a thing in the world to it. I just didn't believe it, because there was no occasion for that. He already was getting the money.

Mr. Kennedy. No, he hadn't gotten the money as of that time. This was prior to the time that he was going to have the meeting on the

money.

Mr. Seedman. Well, I don't know the exact date when the statement was supposed to have been made, but I took it as more or less of a puffing.

Mr. Kennedy. Did it change your opinion of Mr. Cohen at all?

Mr. Seedman. My opinion of Mr. Cohen was just on the three occasions that I met him. As far as I can say, he has never acted in any other way toward me. I haven't seen him since. As far as I am concerned, he is all right. What I read in the paper is something else, and I don't always believe everything I read in the paper.

Mr. Kennedy. Also what Mr. Vaughn related to you about what he

said about you, that he was going to put your lights out.

Mr. Seedman. Mr. Vaughn made that in a sort of a joking way some time—in March of 1958, I believe; somewhere around that time, Mr. Kennedy.

Mr. Kennedy. I am just wondering if you would consider that in the same category as somebody who is always acting like a gentleman.

Mr. Seedman. Well, he acted like a gentleman in my presence. What was told to me was pure hearsay. I didn't hear it.

The Chairman. Are there any other questions?

If not, call the next itness.

Mr. Kennedy, Mr. Fred Sica. The Chairman, Mr. Sica, come forward.

Do you solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Siga. I do.

TESTIMONY OF FRED SICA, ACCOMPANIED BY COUNSEL, ABRAHAM J. LEVY

The Chairman. State your name, your place of residence, and

your business or occupation, please, sir.

Mr. Siga. My name is Alfred Siga. I own a company called the Active-Aire of Los Angeles. I live at 7766 Hollywood Boulevard, Hollywood, Calif.

The Chairman. You have counsel. Counsel, will you identify yourself?

Mr. Levy. Abraham J. Levy, Philadelphia, Pa. The Charman. All right. Proceed, Mr. Kennedy.

Mr. Kennedy. Mr. Sica, you are presently in the hand-dryer business; is that correct?

Mr. Sica. Yes.

Mr. Kennedy. How many hand dryers do you have?

Mr. Sica. Approximately about 80 to 90.

Mr. Kennedy. And are they in the Los Angeles area?

Mr. Sica. Yes, sir.

Mr. Kennedy. These are the machines that you press the button and then they dry your hands?

Mr. Sica. Yes, sir.

Mr. Kennedy. Do you have any employees?

Mr. Sica. No, sir.

Mr. Kennedy. You do all the work yourself?

Mr. Sica. Yes, sir.

Mr. Kennedy. Did Mr. Cohen assist you in getting any of these locations?

(The witness conferred with his counsel.)

Mr. Siga. I refuse to answer on the grounds it might tend to incriminate me.

The Chairman. What is wrong with this Cohen? He goes out here and acts like a gentleman and shakes down somebody for \$11,000, and here you have a business that, as far as I have observed, is legitimate. When we ask you if he helped you with it, you have to take the fifth amendment.

What is wrong with the guy? You are putting him in an awfully bad light, if he is all right. Don't you realize that? We just men-

tioned his name and you take the fifth amendment.

What is wrong with him! Could you tell us, or would that incriminate you?

Mr. Sica. I refuse to answer on the grounds it might tend to in-

criminate me

Mr. Kennedy. Going back to the machines for a moment, you rent the machines out, do you? I am just going to talk about the machines. You rent the machines?

Mr. Sica. Yes, I do.

Mr. Kennedy. You rent them for what—for 20 cents a day?

Mr. Sica. Yes, sir.

Mr. Kennedy. Do you have any shop or business establishment? Where do you operate out of?

Mr. Sica. I operate out of my automobile. I do most of my work

out of my automobile.

Mr. Kennedy. And you service these machines yourself?

Mr. Sica. Yes, sir.

Mr. Kennedy. How long have you been in this business?

Mr. Sica. Approximately about 4 years.

Mr. Kennedy. Had you had any other business other than the hand-dryer machines?

Mr. Sica. Yes, sir.

Mr. Kennedy. What other businesses?

Mr. Sica. I owned a shirt shop in Los Angeles.

Mr. Kennedy. What kind? Shirt shop?

Mr. Sica. Yes, sir.

Mr. Kennedy. Would you tell us the name of it?

Mr. Sica. Savoy Shirt Shop.

Mr. Kennedy. How long have you had that?

Mr. Sica. Approximately 2 years.

Mr. Kennedy. Do you own that by yourself?

Mr. Sica. Yes, sir.

Mr. Kennedy. And it is in your name, is it? Mr. Sica. I don't own it now. It is closed.

Mr. Kennedy. When did you dispose of that? Just approximately how long ago!

Mr. Sica. 1951.

Mr. Kennedy. 1951. You had that for a couple of years back in 1951?

Mr. Sica. Yes, sir.

Mr. Kennedy. Have you had any other business since 1950 other than the shirt shop and the hand dryers?

Mr. Sica. I refuse to answer on the grounds it might tend to incriminate me.

Mr. Kennedy. Let me see if I can get this. After 1951 would you tell us what businesses you were in?

Mr. Siga. I refuse to answer on the grounds it might tend to incriminate me.

Mr. Kennedy. Are there any businesses other than the shirt shop

and the hand dryer that you could tell us about since 1950?

Mr. Siga. I refuse to answer on the grounds that it might tend to incriminate me.

Mr. Kennedy. You were bookmaking, were you?

Mr. Sign. I refuse to answer on the ground it might tend to incriminate me.

Mr. Kennedy. Was it because of the fact that you were in these hand dryers and that you had this friendship with Mickey Cohen that you thought also that your services would be worth a considerable amount of money to one of these two companies that were involved in this competition war in Los Angeles?

Mr. Siga. I refuse to answer on the grounds it might tend to in-

criminate me.

Mr. Kennedy. Is that why your services, you felt, would be worth some \$25,000 rather than some \$25,\$50 or \$100 for each location that you were able to obtain?

Mr. Sica. I refuse to answer on the grounds it might tend to in-

criminate me.

Mr. Kennedy. Is it correct that you have been arrested some 20 times and have seven convictions, Mr. Sica?

(The witness conferred with his counsel.)

Mr. Sica. I refuse to answer on the grounds it might tend to incriminate me.

Mr. Kennedy. Loitering, found guilty, in 1934; assault and battery, with robbery, suspended sentence in 1934; another robbery, sentenced to 12 months in 1934, New Jersey Penitentiary. You went there on January 18, 1935; is that correct?

Mr. Siga. I refuse to answer on the grounds it might tend to in-

criminate me.

Mr. Kennedy. Then stickup and robbery, and you received a suspended sentence. Then in 1935, receiving stolen truckload of umbrellas, 4 to 6 years in the State penitentiary, Trenton, New Jersey?

(The witness conferred with his counsel.)

Mr. Sica. Yes.

Mr. Kennedy. Can we talk about the truckload of umbrellas? Will you tell us about any of the other ones? Assault and battery, were you found guilty on that, in 1934?

(The witness conferred with his counsel.) Mr. Kennedy. You don't remember?

Mr. Sica. I don't remember.

Mr. Kennedy. All right.

The record appears to indicate that. Loitering, 1934; then assault and battery in 1934; then robbery in 1934. Did you go to Essex County Penitentiary in New Jersey in 1934?

Mr. Sica. Yes, I did.

Mr. Kennedy. Then you were in the Trenton Penitentiary in Trenton in 1935; is that right?

Mr. Sica. Yes, I did.

Mr. Kennedy. Then the last conviction was conspiracy to commit bookmaking, 1951?

Mr. Sica. Yes, sir.

Mr. Kennedy. How long have you known Mickey Cohen, Mr. Sica? Mr. Sica. I refuse to answer on the grounds it might tend to incriminate me.

The Chairman. Are you trying to stay out of the pen again? Is

that why you hesitate? Is that the reason you don't answer?

Mr. Sica. I refuse to answer on the ground it might tend to incriminate me.

Mr. Kennedy. Do you have any information on the Divinian nar-

Mr. Sica. I refuse to answer on the ground it might tend to incriminate me.

Mr. Kennedy. The key witness in that case on January 28, 1950, Divinian, was murdered by certain people unknown before the case came to trial. Do you know anything about that?

Mr. Sica. I refuse to answer on the ground it might tend to in-

criminate me.

Mr. Kennedy. Were you arrested in an effort to obstruct justice in connection with the killing, with killing Mr. Divinian?

(The witness conferred with his counsel.)

Mr. Sica. Yes.

Mr. Kennedy. In fact, you have been arrested in connection with several murders, have you not, with no convictions? You have been arrested in connection with them?

Sam Rummel, for instance? Were you arrested in connection with that?

(The witness conferred with his counsel.)

Mr. Siga. Yes.

Mr. Kennedy. You were released because of lack of evidence; is that right?

Mr. Sica. Yes.

Mr. Kennedy. Do you know Louis Dragna?

Mr. Sica. I refuse to answer on the grounds it might tend to incriminate me.

Mr. Kennedy. And James "Weasel" Pratiano?

Mr. Siga. I refuse to answer on the ground it might tend to incriminate me.

Mr. Kennedy. Could you tell the committee what it was that made the Rowe Co. pay you some \$10,000 or \$11,000, you and Mickey Cohen?

Mr. Stat. Lyofuse to anyway on the ground it might took to in

Mr. Sica. I refuse to answer on the ground it might tend to incriminate me.

Mr. Kennedy. Is it correct you related to them that you were going to receive \$25,000 from the Coast Co.?

Mr. Sica. I refuse to answer on the ground it might tend to incriminate me.

Mr. Kennedy. It was really just a shakedown, was it not, by you and Mr. Cohen?

Mr. Sica. I refuse to answer on the ground it might tend to incriminate me.

Mr. Kennedy. And they really paid off, did they not?

Mr. Sign. I refuse to answer on the grounds it might tend to incriminate me.

The CHAIRMAN. How much did old Mickey pay out of it?

Mr. Sica. I refuse to answer on the ground it might tend to incriminate me.

Mr. Kennedy. That is all.

The CHAIRMAN. Are there any other questions?

If not, you may stand aside.

Call the next witness.

Mr. Kennedy. I have a couple other questions. I am sorry, Mr.

Chairman.

Could you tell me this: According to the information we have, we don't have any information in connection with 1955, but in 1957, for instance, we understand that you declared only some \$2,500 as income. Is that correct?

Mr. Sica. I refuse to answer on the grounds it might tend to in-

criminate me.

Mr. Kennedy. That was the highest income you have declared in the last 5 years.

Mr. Sica. I refuse to answer on the ground it might tend to in-

criminate me.

Mr. Kennedy. That was considerably more than your friend Mickey Cohen declared in any year. Is that correct! You were the highest paid of the twosome?

Mr. Sica. I refuse to answer on the grounds it might tend to in-

criminate me.

Mr. Kennedy. In 1956 you declared some \$1,800; is that correct?

Mr. Siga. I refuse to answer on the grounds it might tend to incriminate me.

Mr. Kennedy. As I say, I don't know about 1955. In 1954, \$1,000; and in 1953, some \$600?

Mr. Sica. I refuse to answer on the ground it might tend to incriminate me.

Mr. Kennedy. Has anybody in the Internal Revenue Service evermade an investigation of your activities, your tax activities?

Mr. Sica. I refuse to answer on the ground it might tend to in-

criminate me.

Mr. Kennedy. Could you relate to the committee why you were going to this one company and expecting a fee of \$25,000, in view of these returns?

Mr. Siga. I refuse to answer on the ground it might tend to incriminate me.

Mr. Kennedy. That is all.

The Chairman. All right, you may stand aside.

Mr. Marcello, come forward, and your brother, Vincent Marcello.

Do you solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Vincent Marcello. I do.

TESTIMONY OF VINCENT MARCELLO, ACCOMPANIED BY COUNSEL, JACK WASSERMAN

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. Vincent Marcello, Vincent Marcello, 28 Smith Way.

The Charman. What is your occupation?

Mr. VINCENT MARCELLO. I refuse to answer the question on the ground it will tend to incriminate me.

The Charman. Is this your attorney sitting next to you?

Mr. Vincent Marcello. Yes, sir.

The Charman. Let the record show the same attorney appears for Vincent as appears for his brother this morning.

Is Carlos your brother!

Mr. VINCENT MARCELLO. Yes, sir.

The Charman. Are you an American citizen?

Mr. Vincent Marcello. Yes, sir.

The CHAIRMAN. Is he?

Mr. VINCENT MARCELLO. I refuse to answer that on the ground it may tend to incriminate me.

The Chairman. Have you any questions at this time, Mr. Coun-

sel?

Mr. Kennedy. Not in view of the fact that we are finishing up

with this other hearing.

The CHAIRMAN. I understood you were going to take the Fifth Amendment on everything, but I wanted to bring you around here and put you under the jurisdiction of the committee, because I want to continue both of you under the same subpens that you appeared under here today.

1 continue you under the jurisdiction of the committee subject to being recalled at such time as the committee may desire to hear further testimony from you. There can well be developments in the course of the committee's investigation that will require further

interrogation of you.

With that understanding, I am placing you under that recognizance to reappear at such time as the committee may desire to hear further testimony from you upon reasonable notice being given to you of the time and place where the committee desires to hear you.

If I can have you accept that recognizance, I will be able to take care of your release for the day. Do you accept such recognizance?

Carlos?

(The witness conferred with his counsel.) Mr. Carlos Marcello. Yes, sir, Senator.

The CHAIRMAN. You do. You agree to return and give further testimony at such time as the committee may desire your presence again upon reasonable notice being given to you or your attorney at the time and place where your presence is desired?

Mr. Carlos Marcello. Yes, sir.

The CHAIRMAN. Do you accept the same conditions, Mr. Vincent?

Mr. VINCENT MARCELLO. Yes, sir.

The Chairman. It is agreed. All right, you may stand aside. You are excused for the day.

Call the next witness.

Mr. Kennedy. Mr. Michael Cohen.

The Chairman. Be sworn, please.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Cohen. I do.

TESTIMONY OF MICHAEL COHEN, ACCOMPANIED BY COUNSEL, ABRAHAM J. LEVY

The Chairman. State your name, your place of residence, and your business or occupation, please, sir.

Mr. Cohen. Michael Cohen.

The CHAIRMAN. Who?

Mr. Cohen. Michael Cohen, 705 South Barrington.

The CHAIRMAN. Where? Mr. Cohen. Los Angeles.

The Chairman. All right. What is your business or occupation,

Mr. Cohen. I refuse to answer on the grounds that it may tend

to incriminate me.

The Chairman. Somebody testified here that you were a very polite gentleman. Can't you say, "I respectfully decline to answer" instead of "I refuse"?

Mr. Cohen. I can, but I don't know if I will remember it, Senator. The Chairman. Have you something down that will help you?

Mr. Cohen. Well, I will put it down. The CHAIRMAN. Thank you, Mr. Cohen. Counsel, identify yourself for the record.

Mr. Levy. Abraham J. Levy, Philadelphia, Pa.

The CHAIRMAN. Proceed, Mr. Kennedy.
Mr. Kennedy. Mr. Cohen, would you tell the committee about the dispute between the Coast Co. and the Rowe Co., the cigarette companies in Los Angeles and your participation in it?

Mr. Cohen. I respectfully decline to answer.

Mr. Kennedy. For what reason?

Mr. Cohen. I respectfully decline to answer on the grounds that it may tend to incriminate me.

Mr. Kennedy. Would you relate to the committee why you received the \$11,000?

Mr. Cohen. I respectfully decline to answer on the same grounds.

Mr. Kennedy. Could you tell the committee any other instances where you have received money for remaining out of a fight of this

Mr. Cohen. I respectfully decline to answer, sir.

Mr. Kennedy. What was it, in your estimation what was it, that the Rowe Co. was actually paying for when they paid the \$10,000?

Mr. Cohen. I respectfully decline to answer, sir.

Mr. Kennedy. Do you think that is an ordinary procedure, that a company such as this would pay \$10,000 for you to just remain neutral in a fight of this kind?

Mr. Cohen. I respectfully decline to answer.

Mr. Kennedy. Where were you born, Mr. Cohen?

Mr. Conen. I respectfully decline to answer on the grounds it may tend to incriminate me.

The Chairman. Well, where were you born?

Mr. Cohen. I respectfully decline to answer on the grounds that it may tend to incriminate me.

Mr. Kennedy. According to our information, you were born September 4, 1913, in Brooklyn, N.Y.; is that right?

Mr. Cohen. I respectfully decline to answer on the grounds it may

tend to incriminate me.

Mr. Kennedy. Shortly afterward, or sometime afterward, you went to Cleveland, and at that time began a friendship with Frank Nicoli by sticking up a cafeteria in Cleveland?

Mr. Cohen. Trespectfully decline to answer on the grounds that it

may tend to incriminate me.

Mr. Kennedy. You pled guilty to embezzlement at that time by involving the cashier in the stickup, is that right, and received a 2-year suspended sentence?

(The witness conferred with his counsel.)

Mr. Cohen. I respectfully decline to answer on the grounds that it may tend to incriminate me, and I don't remember.

The CHAIRMAN. Let us have order, please.

Mr. Kennedy. Well, maybe you can help us out. When was the first time that you were arrested?

(The witness conferred with his counsel.)

Mr. Coнем. I don't recall.

Mr. Kennedy. Well, when was the first time you were convicted? (The witness conferred with his counsel.)

Mr. Cohen. I don't recall.

Mr. Kennedy. You don't remember that either?

Mr. Cohen. No.

Mr. Kennedy. You don't remember the first time you were convicted? How many times have you been convicted?

(The witness conferred with his counsel.)

Mr. Cohen. I respectfully decline to answer on the ground that it may tend to incriminate me.

Mr. Kennedy. You can't give us that? Do you remember how many times you have been convicted for crimes?

Mr. Cohen. I don't recall.

Mr. Kennedy. You don't recall that? Do you remember if you were convicted in Cleveland, Ohio, in 1934?

Mr. Cонех. I don't recall.

Mr. Kennedy. Do you deny that you were convicted in Cleveland, Ohio, in 1934?

Mr. Cohen. I respectfully decline to answer on the grounds that it may tend to incriminate me.

Mr. Kennedy. Were you in Cleveland, Ohio, in 1934?

Mr. Cohen. I respectfully refuse to answer on the grounds that

it may tend to incriminate me.

Mr. Kennedy. Did you stick up a cafeteria? Maybe that will refresh your recollection. Did you stick up a cafeteria in Cleveland, Ohio?

Mr. Cohen. I decline to answer on the same grounds.

Mr. Kennedy. You went on to Chicago, then, after your visits in Cleveland, and there you worked for Greasy Thumb Guzik; is that right?

Mr. Cohen. I respectfully decline to answer on the ground that it

may tend to incriminate me.

Mr. Kennedy. And then left for Los Angeles after having been involved in pistol-whipping an acquaintance; is that correct?

Mr. Cohen. I respectfully decline to answer on the grounds that it

may tend to incriminate me.

Mr. Kennedy. In 1942 you were involved with Mr. Joe Sica in the assaulting of one Mr. Russell Brophy, who operated a competing race wire service; is that right?

Mr. Cohen. I respectfully decline to answer on the ground that it

may tend to incriminate me.

Mr. Kennedy. That is Mr. Joe Sica, who is the brother of Fred

Sica, the previous witness.

Then you began this gambling empire. In 1945 you killed one Max Shaman, and you pled successfully self-defense; isn't that correct?

Mr. Cohen. I respectfully decline to answer on the grounds that

it may tend to incriminate me.

(At this point Senator Mundt entered the hearing room.)

Mr. Kennedy. Then in 1946 you were questioned in the murder of Parley Gibbons and Benny "Meatball" Cramson, George Levenson, and in 1947 in connection with the murder of Bugsy Siegel; is that right?

Mr. Cohen. I respectfully refuse to answer on the grounds that it

may tend to incriminate me.

Mr. Kennedy. Can you tell us about any of those murders?

Mr. Cohen. I respectfully decline to answer on the grounds that

it may tend to incriminate me.

Mr. Kennedy. Then when the police raided the LaBrea Social Club, which was a club that was at least partially owned by you, they discovered an assortment of dishonest gambling devices.

Can you tell us anything about that?

Mr. Cohen. I respectfully decline to answer on the grounds that

it may tend to incriminate me.

Mr. Kennedy. The information we have is that you pistol-whipped another man by the name of James "Jimmy" Utley; you beat a waiter in a restaurant and assaulted the chief of the Los Angeles Office of the Federal Narcotics Bureau. Is that correct?

Mr. Cohen. I respectfully decline to answer on the grounds that

it may tend to incriminate me.

Mr. Kennedy. Yet when you were a professional boxer, according to the information we have—Mr. McCoy was your manager—you had three fights and you were knocked out in all three of them; is that right?

(The witness conferred with his counsel.)

Mr. COHEN. I respectfully decline to answer on the grounds that it may tend to incriminate me.

Mr. Kennedy. Several of your close friends have been killed. Neddie Herbert was your bodyguard. Was he shot and killed?

Mr. Cohen. I respectfully decline to answer on the grounds that it may tend to incriminate me.

Mr. Kennedy. And Sam Rummel, who was your attorney, and business partner? He was killed?

Mr. Cohen. I respectfully decline to answer on the grounds that

it may tend to incriminate me.

Mr. Kennedy. Harry Rothman, who was on your payroll, was killed?

Mr. Cohen. I respectfully decline to answer on the grounds that it may tend to incriminate me.

Mr. Kennedy. There have been approximately 10 attempts on

your life, is that right, and you have been wounded once?

Mr. Cohen. I respectfully decline to answer on the grounds that

it may tend to incriminate me.

Mr. Kennedy. And three other of your close associates, Dave Ogul, Frank Nicoli, and Bill Howard, have all disappeared and have never been heard of?

Mr. Cohen. I respectfully decline to answer on the grounds that

it may tend to incriminate me.

Mr. Kennedy. All were on bail at the time, waiting disposition of certain criminal charges against them; is that right?

Mr. Cohen. I respectfully decline to answer on the grounds that

it may tend to incriminate me.

Mr. Kennedy. And recently—this is background—you stated that "the people of Los Angeles ought to get down on their knees and thank God for Mickey Cohen." Is that right?

(The witness conferred with his counsel.)

Mr. Cohen. I didn't get that.

Mr. Kennedy. Did you make a statement recently, publicly, that "the people of Los Angeles ought to get down on their knees and thank God for Mickey Cohen"?

Mr. Cohen. I respectfully decline to answer on the ground that it

may tend to incriminate me.

Mr. Kennedy. You have been arrested 32 times altogether, have you not?

Mr. Cohen. I don't remember. Mr. Kennedy. Is that right? Mr. Cohen. I don't remember.

Mr. Kennedy. Well, let me ask you about this: According to the information that we have, you declared less than \$1,500 as income in 1957. Is that right?

Mr. Cohen. I respectfully decline to answer on the grounds that it

may tend to incriminate me.

Mr. Kennedy. And some \$1,200 in 1956?

Mr. Cohen. I respectfully decline to answer on the grounds that it may tend to incriminate me.

The Chairman. What year was that \$10,000 paid?

Mr. Kennedy. In 1957.

The CHAIRMAN. How much of that did you get, from the \$10,000? Mr. Kennedy. Mr. Sica declared in 1957, according to our information, from the reports that we have, some \$2,500, and Mr. Cohen in 1955 declared less than \$1,500.

The CHAIRMAN. What was the company that paid the \$10,000?

Mr. Kennedy. The Rowe Co.

The CHAIRMAN. How much of that \$10,000 did you get, Mr. Cohen?

Mr. Conen. I respectfully decline to answer, Senator, on the grounds that it may tend to incriminate me.

The Charman. You got more than you reported as income, didn't

you, just a little?

Mr. Comen. I respectfully decline to answer on the grounds that it may tend to incriminate me.

The Chairman. Did you get any other payoffs that year besides

that \$10,000?

Mr. Cohen, I respectfully decline to answer on the grounds that

it may tend to incriminate me.

The Charrman. You couldn't remember the number of arrests and convictions you have had. Can you remember the number of shakedowns you have made, extracting money, extorting money from people?

Mr. Cohen. I respectfully decline to answer on the grounds that

it may tend to incriminate me.

Mr. Kennedy. Despite that, you just purchased within the last 10 days a 1959 Cadillac convertible, did you not, Mr. Cohen?

Mr. Cohen. I respectfully decline to answer on the grounds that I

believe it may tend to incriminate me.

Mr. Kennedy. And you at one time had a \$25,000 especially bullet-proofed automobile, 300 suits, 1,500 pairs of socks, 60 pairs of shoes, and \$275 you spent for silk lounging pajamas. Is that right?

(The witness conferred with his counsel.)

Mr. Cohen. I respectfully decline to answer on the grounds that I believe it may tend to incriminate me.

The Chairman. Have you ever earned an honest dollar in your life?
Mr. Cohen. I respectfully decline to answer on the grounds that it may tend to incriminate me.

Mr. Kennedy. Actually, you were convicted of income tax violation

in 1951 and served until October of 1955; is that right?

Mr. Comen. That is true.

Mr. Kennedy. Could you tell us what your source of income is now? Mr. Cohen. I respectfully decline to answer on the grounds that it may tend to incriminate me.

Mr. Kennedy. You have a flower shop, do you not, Michael Cohen's

Flower Shop?

Mr. Couen. I respectfully decline to answer on the grounds that it may tend to incriminate me.

Mr. Kennedy. Could you tell us any source of income that you have

now?

Mr. Cohen. I respectfully decline to answer on the grounds that I believe it may tend to incriminate me.

Mr. Kennedy. Do you presently owe the U.S. Government some

\$512,000 in back taxes?

Mr. Cohen. I respectfully decline to answer on the grounds that it

may tend to incriminate me.

Mr. Kennedy. With this as background, we have the testimony of Mr. Vaughn that you stated that you had received a telephone call from an individual who had offered you a contract for \$50,000 to put the lights out of Mr. Seedman; is that correct?

Mr. Cohen. I got nothing to do with electricity. I don't know. I respectfully decline to answer on the grounds that it may tend to

incriminate me.

Mr. Kennedy. That is very funny.

Now, would you tell us whether you made that statement?

Mr. Cohen. I respectfully decline to answer on the grounds it may tend to incriminate me.

Mr. Kennedy. Could you tell us what you meant by that, Mr.

Cohen?

Mr. Conen. I respectfully decline to answer on the grounds it

may tend to incriminate me.

Mr. Kennedy. About the time that many of these things were going on, you were described, out in California, by a minister who had great hopes for you, as one who "is sincerely interested in spiritual things and leading a new life."

In view of that, could you tell us a little bit about what your income is, and whether you mentioned that you had been offered \$50,000 to

put Mr. Seedman's lights out?

Mr. Cohen. I respectfully decline to answer on the grounds that it

may tend to incriminate me.

Mr. Kennedy. If you want to show that you are sincerely interested in spiritual things and leading a new life, you could help us with giving us that information, Mr. Cohen.

Mr. Cohen. I respectfully decline to answer on the grounds that I

sincerely believe that it may tend to incriminate me.

Senator Mund. Mr. Cohen, are you sincerely interested in spiritual things and leading a new life?

Mr. Cohen. I respectfully decline to answer on the grounds that it

may tend to incriminate me.

Senator Mundr. Your answer to that must be no, then, because it couldn't incriminate you if you said yes.

Mr. Kennedy. Amongst your associates are Mr. Fred and Joe Sica;

is that right?

Mr. Cohen. I respectfully decline to answer on the grounds that it may tend to incriminate me.

Mr. Kennedy. Max Tannenbaum, a former New York hoodlum? Mr. Cohen. I respectfully decline to answer on the grounds that it may tend to incriminate me.

Mr. Kennedy. William K. Howard, a former prison inmate at

McNeil?

Mr. Cohen. I respectfully decline to answer on the grounds that it may tend to incriminate me.

Mr. Kennedy. Philip Packer, formerly of Joliet and San Quentin? Mr. Cohen. I respectfully decline to answer on the grounds that it may tend to incriminate me.

Mr. Kennedy. Harry "Happy" Heltzer, who served in the Federal

Prison, Atlanta?

Mr. Cohen. I respectfully decline to answer on the grounds that it may tend to incriminate me.

Mr. Kennedy. Seymour Pellar, who was sentenced to 10 years at

Joliet, for kidnaping?

Mr. Cohen. I respectfully decline to answer on the grounds that it may tend to incriminate me.

Mr. Kennedy. Itchy Mandel, of the Stagehands Union?

Mr. Cohen. I respectfully decline to answer on the grounds that it may tend to incriminate me.

Mr. Kennedy. And Babe McCoy, who has been barred from boxing, is another one of your associates?

Mr. Cohen. I respectfully decline to answer on the grounds that it

may tend to incriminate me.

Mr. Kennedy. He is the one who made the arrangements for you to meet with Mr. Vaughn; is that right?

Mr. Cohen. I respectfully decline to answer on the grounds it may

tend to incriminate me.

Mr. Kennedy. Originally, you laughed at the idea that you would need only \$5,000 for remaining neutral and offered to loan Mr. Vaughn another \$5,000 so a total of \$10,000 would be paid; is that right?

Mr. Cohen. I respectfully decline to answer on the grounds it may

tend to incriminate me.

Mr. Kennedy. Subsequently it was agreed that you would be paid \$10,000; is that right?

Mr. Cohen. I respectfully decline to answer on the grounds it may

tend to incriminate me.

Mr. Kennedy. We also had the testimony this morning by Mr. Sherry in connection with various efforts to take over his union. Could you tell us anything about that?

Mr. Cohen. I respectfully decline to answer on the grounds it may

tend to incriminate me.

Mr. Kennedy. Mr. Sherry stated before the committee that he was approached by somebody on two occasions who said they were representing you. Were they in fact representing you?

Mr. Cohen. I respectfully decline to answer on the grounds that it

may tend to incriminate me.

Mr. Kennedy. Could you tell us what connections you have had with any union or union officials in the Los Angeles area?

Mr. Cohen. I respectfully decline to answer on the grounds that it

may tend to incriminate me.

Mr. Kennedy. Could you tell us what your relationship has been with Mr. Itchy Mandel of the Stagehands Union?

Mr. Cohen. I respectfully decline to answer on the grounds that it

may tend to incriminate me.

Mr. Kennedy. You have also had a close association with Mr. Babe Triscaro, of Cleveland, Ohio, of the Teamsters?

Mr. Cohen. I respectfully decline to answer on the grounds that it

may tend to incriminate me.

Mr. Kennedy. As a matter of fact, Triscaro has been out to visit with you, has he not?

Mr. Cohen. I respectfully decline to answer on the grounds that it

may tend to incriminate me.

Mr. Kennedy. He is second in charge of all of the Teamsters in the State of Ohio and declared some \$133,000 on his income tax in 1956, most of it coming from trucking companies. Do you know anything about that?

Mr. Cohen. I respectfully decline to answer on the grounds that it

may tend to incriminate me.

Mr. Kennedy. Have you had any business dealings with Triscaro?

Mr. Cohen. I respectfully decline to answer on the grounds that it may tend to incriminate me.

Mr. Kennedy. Would you tell the committee why he came out to visit you?

Mr. Cohen. I respectfully decline to answer on the grounds that it

may tend to incriminate me.

Mr. Kennedy. Mr. Cohen, it was testified, I believe, in the Kefauver hearings, that you borrowed some \$5,800 from Tony Milano of Cleveland. Did you ever repay him the money?

Mr. Cohen. I respectfully decline to answer on the grounds that it

may tend to incriminate me.

Mr. Kennedy. Do you know either John or Thomas Scalise,

of Ohio?

Mr. Cohen. I respectfully decline to answer on the grounds that it may tend to incriminate me.

Mr. Kennedy. I believe that is all.

The Chairman. Are there any further questions?

Mr. Kennedy. I do have a couple of other things, Mr. Chairman.

We also understand you are an associate of Frank Ericson, Frank Costello, Joe Adonis, and Tony Accardo. Is that right?

Mr. Cohen. I respectfully decline to answer on the grounds it may

tend to incriminate me.

Mr. Kennedy. And you also have made visits around the country. You tried to move in even down in Nashville, Tenn., did you not, several years ago?

Mr. Cohen. I respectfully decline to answer on the grounds that it

may tend to incriminate me.

The Chairman. All right, you may stand aside.

The committee will stand in recess until 10:30 tomorrow morning. The meeting tomorrow morning will be in room 1202. That is in the new building.

(Members of the select committee present at time of recess: Senators

McClellan, Mundt, and Capehart.

(Whereupon, at 3:48 p.m. the select committee recessed, to reconvene in room 1202, Senate Office Building, at 10:30 a.m. Wednesday, March 25, 1959.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

WEDNESDAY, MARCH 25, 1959

U.S. Senate,
Select Committee on Improper Activities
in the Labor or Management Field,

Washington, D.C.

The select committee met at 10:30 a.m., pursuant to Senate Resolution 44, agreed to February 2, 1959, in room 1202, Senate Office Building, Senator John L. McClellan (chairman of the select com-

mittee) presiding.

Members of the select committee present: John L. McClellan, Democrat, Arkansas; Karl E. Mundt, Republican, South Dakota; John F. Kennedy, Democrat, Massachusetts: Frank Church, Democrat, Idaho; Homer E. Capehart, Republican, Indiana; Carl T. Curtis, Republican, Nebraska; also present: Robert F. Kennedy, chief counsel: Walter R. May, assistant counsel: John P. Constandy, assistant counsel; Arthur G. Kaplan, assistant counsel: Sherman S. Willse, investigator; Ruth Young Watt, chief clerk.

The Chairman. The committee will come to order.

(Members of the select committee present at time of convening: Senators McClellan and Capehart.)

The Charman. Call the next witness.

Mr. Kennedy. Mr. Chairman, we are starting this morning on the Miami phase of the coin machine business. The first witness is Mr. Leonard Baitler.

The Chairman. Mr. Baitler, come forward, please. Be sworn.

You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Baitler. I do.

TESTIMONY OF LEONARD BAITLER

The Chairman. Mr. Baitler, state your name, your place of residence, and your business or occupation, please, sir.

Mr. Baitler. My name is Leonard Baitler. I reside at 1361 Northwest 133d Street, Miami, Fla. I am a coin machine mechanic.

The Chairman. Do you waive counsel?

Mr. Baitler. Yes, sir.

The CHAIRMAN. Thank you.

Proceed, Mr. Kennedy.

Mr. Kennedy. You spell your name B-a-i-t-l-e-r; is that correct?

Mr. Baitler. That is correct.

Mr. Kennedy. You are what—37 years old?

Mr. Baitler. That is correct.

Mr. Kennedy. Unmarried, and you were in the Army Air Corps between 1942 and 1946?

Mr. Baitler. Yes, sir.

Mr. Kennedy. That was when you started residing in the Miami area; is that right?

Mr. Baitler. I first came to Miami just prior to my enlistment in the Air Force in January 1942, but I returned there after the war.

Mr. Kennedy. You have been in the coin machine business for approximately 20 years, starting at the age of about 16; is that right?

Mr. Baitler. That is correct.

Mr. Kennedy. You are now a coin machine mechanic?

Mr. Baitler. Yes, sir.

Mr. Kennedy. From 1956, for approximately 2 years, you were in Japan as a salesman for the Bible and for other holy educational books; is that right?

Mr. Baitler. Yes, sir.

Mr. Kennedy. You went back into the coin machine business in 1946, is that right, after you got out of the Air Corps?

Mr. Baitler. Yes, sir.

Mr. Kennedy. What were you doing? What kind of work were you doing then?

Mr. Baitler. I was employed as a mechanic on jukeboxes, coinoperated phonographs, and amusement machines, vending machines.

Mr. Kennedy. Did you have any dealings then with a Mr. Harvey Campbell?

Mr. Baitler. This was at a later date, Mr. Kennedy. This would

have been in 1949, I believe.

The CHAIRMAN. We have a mimeographed list of people whose names will be referred to today. I will make this exhibit 68 for reference.

The fact that a name appears on this list does not mean, necessarily, that derogatory testimony will be given against them, but it is to help identify the people who may be referred to in testimony.

(List referred to was marked "Exhibit 68" for reference and may

be found in the files of the select committee.)

Mr. Kennedy. Would you tell us briefly what your connections with Mr. Harvey Campbell were, who formed the Miami Beach Amusement Association?

Mr. Baitler. I will try to recall as well as possible my dealings

with Mr. Campbell.

Mr. Kennedy. Just briefly.

Mr. Baitler. Yes.

In 1949, I believe it was, my employer on Miami Beach sold out to a company headed by Mr. Campbell. This company was known as the Capital Vending Co. Immediately following that, I went into the coin machine business myself.

I developed a route of phonographs and amusement games. This route comprised mainly locations that had been purchased by Mr. Campbell from my former employer. Subsequently I sold my route

to Mr. Campbell and the Capital Vending Co.

Mr. Kennedy, Mr. Campbell at that time indicated that his partner or the one that was backing him was Mr. Joe Massei; is that right?

Mr. Baitler. He did make that statement, but I never had any

dealings with Mr. Massei.

Mr. Kennedy. Directly, but Mr. Campbell indicated that the one behind him was Joe Massei; is that right!

Mr. Baitler. He did say that.

Mr. Kennedy. Mr. Massei has the reputation of being a very prominent figure in the underworld, at least in the past; is that correct?

Mr. Baitler. I would say so.

Mr. Kennedy. At that time there had been a considerable amount of interest in the Miami area in obtaining locations for coin machines because there was legislation pending in the State legislature dealing with legalizing certain kinds of gambling equipment; is that right?

Mr. Baitler. Yes.

Mr. Kennedy. So that the locations where you had coin machines became unusually attractive, because it was possible then for these companies to place in this gambling equipment; is that right?

Mr. Baitler. In the event that legislation was passed, the loca-

tions would become valuable.

Mr. Kennedy. So there was a considerable amount of interest by certain notorious figures in attempting to gain these locations during this period of time?

Mr. Baitler. Yes.

Mr. Kennedy. That legislation was subsequently defeated? It was not passed?

Mr. Baitler. That is correct.

Mr. Kennedy. In 1949 Mr. Campbell also went into business with Mr. Joe Mangone?

Mr. Baitler. I am not sure of the chronology of that, Mr. Kennedy. Mr. Kennedy. This is just background for some of these individ-

uals whose names arise later.

Mr. Baitler. Yes, it was somewhere around that time; perhaps 1950.

Mr. Kennedy. What kind of business did they go into together? Mr. Baitler. This, as I recollect, was not an operating business,

Mr. Baitler. This, as I recollect, was not an operating business, but a distributing business; that is, involving the sale of coin-operated machines.

Mr. Kennedy. And about this time also the association that had been formed by Mr. Campbell in order to control the industry, the Miami Beach Amusement Association, began to fade out itself; did it not?

Mr. Baitler. Well, you must understand, Mr. Kennedy, I was never a member of this organization.

Mr. Kennedy. But the organization—you were aware of the fact of the organization?

Mr. Baitler. The organization existed; yes.

Mr. Kennedy. And then faded out during the early 1950's or late 1940's; is that right?

Mr. Baitler. I would say so.

Mr. Kennedy. About 1950 you went to work for a man by the name of Sam Taran?

Mr. Baitler. Yes, sir.

Mr. Kennedy. Mr. Taran has had a considerable number of difficulties himself with the law throughout the United States?

Mr. Battler. Well, I have read something of this in the newspaper.

Mr. Kennedy. Were you a member of any union during this period

Mr. Baitler. Now, again, I am not sure on the dates. But I would say that my original initiation into the Electricians Union goes to 1950 or 1951. I am not positive of that, sir.

Mr. Kennedy. That was the International Brotherhood of Electri-

cal Worker; is that right?

Mr. Baitler. That is correct.

Mr. Kennedy. Then did you begin, during the 1950's, 1953, and 1954, begin to attempt to organize your fellow mechanics?

Mr. Baitler. I did, sir.

Mr. Kennedy. Did you approach the International Brotherhood of Electrical Workers about taking them into that union?

Mr. Baitler. I did.

Mr. Kennedy. Was there some difficulty initially by the International Brotherhood of Electrical Workers?

Mr. Baitler. Yes. There was some reluctance regarding accepting them, but ultimately they were accepted and they were initiated into the Miami local of the Electricians Union.

Mr. Kennedy. What local was that?

Mr. Baitler. No. 349.

Mr. Kennedy. What period of time are we talking about now?

Mr. Baitler. This would be about $4\frac{1}{2}$ years ago, sir. Mr. Kennedy. That would be 1954; is that correct?

Mr. Baitler. I would say the summer of 1954. Again, I am not

positive on these dates.

Mr. Kennedy. These mechanics had been working 60 or 70 hours a week and you were trying to get it down to a 40-hour week; is that

Mr. Battler. That is correct, sir. Well, not—

Mr. Kennedy. How many mechanics did you get into the union? Mr. Baitler. I believe the amount was under 100. I am not positive of the figure. I would estimate about 80 or 85.

Mr. Kennedy. This was Local 349 of the IBEW?

Mr. Baitler. That is correct.

Mr. Kennedy. Did you have your own section of it?

Mr. Battler. Yes. A unit was established—that is, a parliamentary unit—known as unit 6.

Mr. Kennedy. Did you have any official position with it? Mr. Baitler. I was the chairman, as differentiated from the General President of the entire union. Each unit comprising a specific branch of the trade would have a chairman.

Mr. Kennedy. The association itself—this was the activity in the union field. Around 1950 an association called the Amusement Machine Operators Association of Miami was formed; is that right?

Mr. Baitler. Yes. I am not sure of the exact nomenclature. was referred to with the traditional initials, "AMOA". It stood for Amusement or Automatic Machines. I don't know.

Mr. Kennedy. From the records the name appears to be Amuse-

ment Machine Operators Association of Miami.

That had Mr. William Blatt as president; is that right?

Mr. Baitler. He had been the president. Whether he was the

president at the time you referred to, I am not certain.

Mr. Kennedy. In 1954, when you began your organizational work for the International Brotherhood of Electrical Workers, was there some activity on the part of another union or another group to try to organize the employees into a union?

Mr. Baitler. Yes. Again, I am not certain of the chronology, but I think it was a short while following the initial drive on my part to organize the men into the Electricians Union. I became aware of some organizing activity on the part of the Upholsterers International Union. I am not certain of the local number, but it was the Upholsterers International Union, Miami local.

Mr. Kennedy. How did the Upholsterers Union get into this field? What interest could the Upholsterers Union have in the field

of mechanics working on coin machines?

Mr. Baitler. Well, the question of jurisdiction in trade unionism is a moot one, but frankly at that time I could not see where they had any jurisdictional rights at all. However, they were active in signing up people.

Mr. Kennedy. What local number was this of the Upholsterers

Union?

Mr. Baitler. I am not certain if it was 398, perhaps. I am not sure of the number.

Mr. Kennedy. Local 598 of the Upholsterers?

Mr. Baitler. That sounds familiar.

Mr. Kennedy. Who was running this union, Local 598 of the

Upholsterers?

Mr. Baitler. The business manager and the most active organizer, I would say, was a gentleman named Charles Karpf. The president of record was a man named Frank Tacetta. Who the others were, I don't know.

Mr. Kennedy. That is Charles Karpf——

Mr. Baitler. No, I stand corrected. Frank Tacetta, to the best of my recollection, was not the president of the Upholsterers local.

Mr. Kennedy. But Charlie Karpf was the one that was behind it:

was he not?

Mr. Baitler. Well, yes. He did the organizing work.

Mr. Kennedy. Did you know anything about his background?

Mr. BAITLER. At the initial stage of this, I did not, but I made certain inquiries.

Mr. Kennedy. He has been arrested eight times and has three con-

victions; does he not?

Mr. Baitler. So his record indicates.

Mr. Kennedy. Starting in 1944 for the possession of policy slips, to 1951 for grand larceny in the second degree in New York, where he received 1 to 2 years in the State prison. Then he was convicted of assault and battery in 1955, which was subsequent to this; was it not?

Mr. Baitler. Yes, sir.

Mr. Kennedy. That was a dispute that arose out of this disagreement or his activities in Miami?

Mr. Baitler. Yes, sir.

Mr. Kennedy. Did you know how he happened to come in and start to organize for the Upholsterers Union?

Mr. Baitler. I do not know this for a fact, Mr. Kennedy, but it

would be an opinion if you would like me to venture it.

Mr. Kennedy. Based on your experience at that time, and based on your contacts with these people, what did you learn about why he was in there?

Mr. Baitler. The business manager of the employers association, that is, the AMOA, was a gentleman named Anthony Randazzo. It is my understanding that he made the contact with the Upholsterers

Mr. Kennedy. How did Anthony Randazzo happen to get in with the association?

Mr. Baitler. The exact details I do not know. Again, it is my understanding that there were certain difficulties within the coinmachine business, excessive and unethical competition, and the organization employed Randazzo as their business agent to act as an arbitrator or public relations man.

Mr. Kennedy. Did you understand that was an operation of the association, with Randazzo running it as a public relations man, to bring stability and control to the industry in the Miami area? And that it was going to be done through the setting up of this union, the

Upholsterers Union?

Mr. Baitler. This was the general impression.

Mr. Kennedy. I want to get something more specific. Based on your own experience—you were working in the field yourself—is that

what the operation seemed to be?

Mr. Baitler. If I may offer an opinion again, in my opinion I don't think Mr. Randazzo could accomplish that. However, he was hired for that purpose; yes, sir.
Mr. Kennedy. That is all I am asking you.

Mr. Baitler. Yes.

Mr. Kennedy. The fact that he didn't accomplish it shows the best answer to that. But the fact was that at that time there were efforts by the association to try to gain conrol over the industry, to bring stability to the industry, and the way that they were going to operate was through the formation of this union; isn't that correct?

Mr. Baitler. Yes.

Mr. Kennedy. Did you learn that Mr. Randazzo and Mr. Karpf would go around together, to organize together, to try to get the operators and the employees to join the union?

Mr. Baitler. I did.

Mr. Kennedy. Did you learn that they were telling the operators that they were not interested in the wages or hours or conditions of the employees, but that they were there to offer stability in the industry?

Mr. Baitler. I did, sir.

Mr. Kennedy. Mr. Chairman, of course this fits into the general pattern that has been followed and which we have found throughout the other cities of the United States, and this is why the Miami area again is of some interest to us.

Did you complain to the Upholsterers Union about the activities

of Mr. Karpf?

Mr. Baitler. Yes; I did.

Mr. Kennedy. When did that happen?
Mr. Baitler. I am trying to recollect the date to the best of my ability, sir. I believe it was four and a half years ago. That would have been in the early winter of 1955.

Mr. Kennedy. Did you see Mr. Hoffman, Mr. Sal Hoffman, presi-

dent of the International Upholsterers Union?

Mr. Battler. I did. When I was convinced that the so-called organizational drive under Mr. Karpf was not a true organizational effort, that it had no particular interest in the workingmen who were to become members of that union, I contacted the international president of the Upholsterers, and he came to Miami Beach and met with myself and a business agent of the Electricians Union. When I made him aware of the situation, with documentary evidence, he said he would take action. Within the next few days he revoked the charter of the Upholsterers Union.

Mr. Kennedy. Did that stop Mr. Karpf?

Mr. Baitler. Not at all. It appears that he had another charter.

Mr. Kennedy. From whom did he receive that charter? Mr. Baitler. From the United Textile Workers of America.

Mr. Kennedy. What did the United Textile Workers of America have to do with organizing employees in the coin machine business?

Mr. Baitler. Absolutely nothing.

Mr. Kennedy. To the same extent as the Upholsterers Union?

Mr. Baitler. Well, even less. The Upholsterers assume jurisdiction over furniture workers. A jukebox has a wooden cabinet, but it has no textiles whatsoever in it. However, this is a moot point. The fact is that the shift was made from the Upholsterers' charter, which was revoked, to a charter of the Textile Workers. Those men who had been signed up for the Upholsterers suddenly become Textile Workers.

Mr. Kennedy. At the beginning of 1955—well, first, going back a little bit, had there been some concern by some of the operators in the Miami area about the fact that they had linked up with Randazzo

and with Karpf?

Mr. Baitler. Yes.

Mr. Kennedy. Did some of the operators, because they objected to this operation, did they seede from the association?

Mr. Baitler. Yes.

Mr. Kennedy. That was at the end of 1944, was it not?

Mr. Baitler. 1954, sir.

The Kennedy. The end of 1954?

Mr. Baitler. Yes. This activity took place in the early winter,

to the best of my recollection.

Mr. Kennedy. Then on March 17, 1955, or thereabouts, the two associations came back together; is that right? The Automatic Music Guild and the Amusement Machine Operators Association merged as the Amalgamated Machine Operators Association?

Mr. Baitler. I am not certain of the date, but that is what happened. There were two factions and then the two factions merged

back into one. The exact date I am not sure of.

Mr. Kennedy. Who was the president of that?

Mr. Baitler. I believe the first president of this Amalgamated, so-called, that is, the merger of the two factions, was Harry Simand. I am not positive, but I am reasonably certain.

Mr. Kennedy. He is the former manager of the Grand Hotel?

Mr. Baitler. Yes.

Mr. Kennedy. Which has a close association, once again, with Mr. Massei; is that correct?

Mr. Baitler. That is rumored.

Mr. Kennedy. This merged association agreed to enter into an

arrangement first with local 598 of the Upholsterers Union?

Mr. Baitler. I think, sir—again, the chronology cludes me after 4 years, but I think at the time of the merger the Upholsterers local was nonexistent. So the recognition would have taken place between the Amalgamated and the Textile Workers. Of this I am not certain.

Mr. Kennedy. I think the record shows that first they joined up with local 598 and subsequently they went in with the United Textile Workers of America, local 296. But in any case, they did make an

agreement with Charlie Karpf?

Mr. Baitler. That is right. Exactly what union it was, I am not

certain.

Mr. Kennedy. Was this union charging money for these stamps,

the union stamps, the union labels?

Mr. Baitler. I am not certain of this, sir. They issued labels, and it is highly unlikely that they would have been issued without charge. I am not certain what the charge was.

Mr. Kennedy. What happened to you in your operation during

this period of time?

The United Textile Workers is active, with Mr. Karpf, and what

about your operation?

Mr. Baitler. Well, prior to recognition by the majority of operators of the United Textile Workers, Mr. Karpf obtained from the business manager of the Electricians Union a disavowal of jurisdiction. In other words, despite the fact that some 75 or 80 coin machine mechanics had been accepted into the Electricians, had been formally initiated and paid their initiation fee, they were expelled, shall we say, from the Electricians.

The business manager of the Electricians issued a written statement to the effect that the Electricians had no desire to represent these men and that they would not exercise jurisdiction over these men. Consequently, on the basis of this letter, Mr. Karpf was able

to obtain recognition from the employers.

The CHAIRMAN. How much initiation fee was charged?

Mr. Battler. In the Electricians Union, sir?

The Chairman. Yes.

Mr. Battler. I believe it was \$15.

The Chairman. What were the dues?

Mr. Baitler, I believe at that time—it has been changed many times since. I believe at that time it was \$5 a month.

The CHARMAN. As I understand, they accepted them into the Electrical Union and then they kicked them out?

Mr. Baitler. Yes.

The Chairman. Did they refund their initiation fee?

Mr. Bartler. On request of any man they did refund the initiation fee.

The CHAIRMAN. They just would not accept them?

Mr. Baitler. Well, according to the constitution and by-laws of the Electricians Union, they were formally accepted when they took the oath of obligation and paid their initiation fee, and they should not have been expelled except under certain processes that are described in the constitution.

The Chairman. In other words, expelled for cause.

Mr. Baitler. Yes. But they were just summarily dismissed and the jurisdiction was turned over to Mr. Karpf and the TextileWorkers.

Mr. Kennedy. Who was it that agreed to this in the International

Brotherhood of Electrical Workers?

Mr. Baitler. I was not consulted in regard to it. The first thing I knew about it was when a certain operator who was about to recognize the Electricians Union called my attention to the existence of this letter, which Mr. Karpf had shown him.

Mr. Kennedy. Who was it that wrote the letter?

Mr. Baitler, Mr. William Johnson, the business manager of the Electricians Local 349.

Mr. Kennedy. What possible explanation is there for his turning

over those 75 members of his union to the Textile Workers?

Mr. Battler. I do not know. Most unions strive to obtain members. Here was a block of 75 or 80 members who had been recruited and now were thrown out. Mr. Johnson's explanation to me and to the executive board for this action was that the stigma attached to the coin machine business was not desirable for the Electricians, which is a prosperous and highly respected union in Miami. My contention was that the men were accepted in good faith, they paid their initiation fee, they were bona fide workingmen, and they were entitled to representation by the union. However, Mr. Johnson prevailed.

Mr. Kennedy. Of course, what this amounted to was to turn them

over to what amounted to a racket union, run by a racketeer.

Mr. Baitler. Exactly, sir.

Mr. Kennedy. And set up by the operators rather than by the union members themselves?

Mr. Baitler. Exactly.

The Chairman. Were the men helpless in that situation? Could they not do anything about it?

Mr. Baitler, No. sir, they could not. I appealed to the international president of the Electricians, with no favorable results.

The Chairman. Were the men given a free choice as to which

union they should belong to or should not?

Mr. Baitler. No, sir.

The Charman. In other words, they were just pawns being traded around?

Mr. Battler. I would say, sir, that every one of the men that I recruited into the Electricians Union came in voluntarily and of his own free will, realizing that the wage scale that the Electricians have obtained in Miami is the highest in the area, that their degree of skill is the equivalent of an electrician and that their work is basically electrical work. They came of their own free will into the

Electricians, but they entered the Upholsterers and subsequently the Textile Workers under duress pure and simple, because the contract that was agreed to by the Textile Workers called for a \$50 a week pay scale with no specification as to hours or working conditions.

Now, every man that joined the Upholsterers was getting in excess of \$50 a week. So it was quite obvious that union membership in the Upholsterers or the Textile Workers offered no benefits what-

soever.

The Chairman. In other words, kicking them out of the Electrical Union and forcing them into the Textile Union certainly was not for the benefit of the employees?

Mr. Baitler. Definitely not, sir.

The Chairman. And it did place them in the position of great disadvantage because they were receiving greater wages than was being

paid under the Textile contract?

Mr. Baitler. Well, let me point out that no one, neither union nor employer, paid any particular attention to the contract. In other words, if an experienced mechanic were earning, let us say, \$85 or \$90 a week, his wages were not reduced because of the contract. The contract was merely a scrap of paper.

The CHAIRMAN. Merely a what?

Mr. Baitler. Merely a scrap of paper. It had no significance. The Chairman. Just an excuse for collecting dues and that is all? Mr. Baitler. I would say so, sir.

The CHARMAN. All right.

Mr. Kennedy. Mr. Baitler, did you understand that the association was collecting 50 cents per machine, which was to be split amongst the association?

Mr. Baitler. I have heard this, sir. I am not certain of it.

Mr. Kennedy. Were you approached by Karpf or anyone else on his behalf to get out of the business yourself prior to the time the Electrical Workers lifted the charter?

Mr. Baitler. I was.

Mr. Kennedy. By whom were you approached?

Mr. Baitler. While this, shall we call it, jurisdictional dispute was going on, Mr. Karpf contacted me by telephone. It should be understood that at this point I was doing this organizational work on a part-time basis, that I was actively employed as a coin machine mechanic. But Mr. Karpf contacted me on my service number and asked to see me, so I paid him the courtesy of a visit in his office.

At that time we had a talk that was—I don't know, not particularly unfriendly. At that time he offered me a job as an organizer and business agent for his Upholsterers, or Textile Workers. Again, I am not certain whether it was the Upholsterers or Textile Workers

on that day, but it was one or the other.

Mr. Kennedy. What was your answer to that?

Mr. Baitler. Well, my answer could only be negative, because it was obvious what this was all about. He realized that I had the confidence of the men, that I was their elected leader, and I could bring them in docilely into his organization. My objection was obvious. Their organization offered nothing to the men, it was strictly a protective device for the employers.

Mr. Kennedy. Were you approached at all by Randazzo, or by

anybody from the association?

Mr. Baitler. Yes. This comes a little later, chronologically, but I did have one meeting with Mr. Randazzo in a restaurant that he managed.

Mr. Kennedy. What was related to you? What was said to you

at that time?

Mr. Baitler. Well, generally the same thing, that if I would go along with this other movement, it would perhaps be advantageous for me.

Mr. Kennedy. Were you also approached by Joe Indellicato?

Mr. BAITLER. No. I have never met Mr. Indellicato in my life, nor

have I ever had any dealings with him that I know of.

Mr. Kennedy. The Textile Workers assumed jurisdiction and the Electrical Workers lifted jurisdiction, and there were still some of the operators who were holding out against this organization and this operation. Was there some violence around Miami?

(At this point Senator Mundt entered the hearing room.) Mr. Baitler. There was one specific instance of violence.

Mr. Kennedy. What occurred? There was a stinkbombing, was

there not?

Mr. Baitler. Well, again, sir, I must point out that this is, again, hearsay. This was never conclusively laid to union activity. Yes, a stinkbomb, so-called, was dropped into the premises of one of the distributors. The culprit was never apprehended.

Mr. Kennedy. You are very careful. It was during the time that

this dispute and this controversy was going on?

Mr. Baitler. Yes.

Mr. Kennedy. And somebody was beaten up?

Mr. Baitler. Yes.

Mr. Kennedy. And they were beaten up by individuals on the opposite side in this controversy?

Mr. Baitler. Yes.

Mr. Kennedy. Would you lay that to the controversy?

Mr. Baitler. Yes, definitely.

Mr. Kennedy. What happened in that case?

Mr. Baitler. This specific instance is founded on fact, of course. One of the distributors, Taran Distributing, specifically, distributing for the Rockola phonograph, and this would be in the spring of 1955, April of 1955, the Rockola Manufacturing Co. came out with a new model of a jukebox. This jukebox was being displayed on a certain Sunday in April at the premises of the Taran Distributing Co. Every employee, every service employee, every qualified mechanic in Taran Distributing was a member of the International Brotherhood of Electrical Workers, having paid their initiation fee, and having been obligated, according to the bylaws of the Electricians Union.

On that Sunday when this factory showing took place, I arrived there as did many other people to see the new machine, and there were pickets walking in front of the premises of Taran Distributing Co., carrying placards which said, "Unfair to organized labor," and "UTWA Local" something or other. These pickets were not known

to me.

They were definitely not any people who worked in the coin machine industry locally. But they were being supervised by Mr. Karpf and Mr. Tacetta, the president of the Textile Workers Local.

Shall I proceed?

Mr. Kennedy. Yes, briefly.

Mr. Battler. The picketing was orderly. It was obviously without legal basis, as this union had no representation, nor any interest in this establishment. However, it was a Sunday. It would have been impossible to obtain an injunction to enjoin the picketing. So they walked up and down quite peacefully.

And the picketing, shall I say, was effective, by nature of enforcing

a boycott.

Remember, at that point the majority of the operators, the employers, had recognized the Textile Workers. Therefore, they would not cross the picket line to attend this showing of the new machine.

To go a little further, one young man, a coin machine mechanic and a member of the Electricians Union, started a little discussion, which proved unwise, with one of the pickets. This discussion was not violent, but it concerned exactly what we have touched on, in what manner did the Textile Workers assume jurisdiction over the coin machine mechanics. Specifically, this man asked the picket if he were a coin machine mechanic and how the Textile Workers came into the coin machine business, and so forth and so on.

This conversation continued for a few minutes. The picket finally said, "I can't talk to you while I am picketing, while I am carrying the sign." He said, "Let's go up the street and discuss this thing,"

or words to that effect. This was in my hearing.

The picket removed his picket signs and walked up the street with this man. It was perhaps 100 yards from the premises, within full view, though, that the assault took place; whereby this young man was assaulted by Mr. Karpf and the pickets.

Subsequently arrests were made and convictions were obtained.

That was the incident of violence.

The Chairman. How many assaulted him?

Mr. Battler. Four, sir.

The CHAIRMAN. Four to one?

Mr. Baitler. Yes, sir.

Mr. Kennedy. Mr. Karpf, and Mr. Randazzo were present also?

Mr. Baitler. Yes, sir.

Mr. Kennedy. Who were the other individuals? James Ramares? Mr. Baitler. It turned out that the picket that initiated this dispute was a young man named David Wolosky, I believe, Mr. Karpf's stepson. The other picket—I don't recollect his name. I had never seen either of the pickets prior to that day.

Mr. Kennedy. The other one was James Ramares, who was a

painter, who evidently was picketing?

Mr. Baitler. Yes, and a nonunion painter, incidentally.

Mr. Kennedy. A nonunion painter?

Mr. Baitler. Yes.

Mr. Kennedy. Subsequent to this, there was so much controversy about their activities and the beating of this man, and there was great public pressure in the Miami area on this activity, was there not?

Mr. Baitler. Yes.

Mr. Kennedy. And there was a considerable amount of public interest that was generated by the press?

Mr. Baitler. Yes, sir.

Mr. Kennedy. And the activities of the Crime Commission in Miami as well as the newspapers led to the termination of these activities by Mr. Karpf; is that right?

Mr. Baitler. Yes, sir. Mr. Kennedy. Subsequently, these employees were taken over by

the jurisdiction or into the Teamsters Union; is that right?

Mr. Battler. No. Prior to that, sir, because, as Senator McClellan pointed out, these men felt that they were mere pawns of union bosses, several of them appealed to me, and we obtained an independent charter, a State charter, from the circuit court, and we formed an independent union known as the Coin Machine Servicemen's Union. All members of this union were bona fide coin machine mechanics, of considerable experience, and we obtained recognition for that union from several of the operating companies.

Mr. Kennedy. Subsequently you went into the Teamsters Union?

Mr. Baitler. Yes.

Mr. Kennedy. And you became on organizer for the Teamsters yourself?

Mr. Baitler. Yes, that is correct.

Mr. Kennedy. And you remained for some time and then left for personal reasons; is that right?

Mr. Baitler. Yes.

Mr. Kennedy. The Teamsters Union in Miami now has jurisdiction over these individuals?

Mr. Baitler. Well, Mr. Kennedy, I resigned my position as an organizer for the Teamsters in September of 1956.

Mr. Kennedy. How many people did you have in at that time, in the coin machine business?

Mr. Baitler. Total membership? Mr. Kennedy. In the Teamsters.

Mr. Baitler. The total membership, when I left, I think was about 1,000. How many coin machine people?

Mr. Kennedy. Yes.

Mr. Battler. Now, again, this is merely an estimation. I would say at the time of my departure from Miami, and resignation from the Teamsters, the membership of coin machine people might have been about 60 or 70. I am not certain of this, sir, and I would have no way of knowing unless I would have access to the records of that time.

Mr. Kennedy. And the rest of the employees, the rest of the people in the Miami area were not in any union?

Mr. Baitler. As far as I know, they were not. Mr. Kennedy. That is all, Mr. Chairman.

The CHAIRMAN. Are there any questions?

If not, sir, thank you very much.

Call the next witness.

Mr. Kennedy, Mr. Helow.

The CHAIRMAN. Be sworn, please.

You do solemnly swear that the evidence you shall give before this Senate Select Committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Helow, I do.

TESTIMONY OF DONALD HELOW

The Chairman. State your name, your place of residence, and your occupation, please.

Mr. Helow. Donald Helow, 1361 Northwest 133d Street; coin ma-

chine mechanic.

The Chairman. Do you waive counsel?

Mr. Helow. Yes, sir.

The CHAIRMAN. All right; proceed, Mr. Kennedy.

Mr. Kennedy. At the end of March 1955, you were self-employed, operating the Union Coin Machine Service?

Mr. Helow. Yes, sir.

Mr. Kennedy. You had started that some 2½ years previously?

Mr. Helow. Yes, sir.

Mr. Kennedy. You were engaged in servicing and repairing coin machines, and had some seven accounts with a total of about 500 pieces of equipment?

Mr. Helow. That is right.

Mr. Kennedy. One of your accounts told you that you should see Charlie Karpf about joining Karpf's union, local 298 of the United Textile Workers of America?

Mr. Helow. That is right.

Mr. Kennedy. You then attended a meeting of the coin machine technicians at the United Textile Workers Building in Miami in April of 1955; is that right?

Mr. Helow. That is right.

Mr. Kennedy. And Karpf addressed the group at that time?

Mr. Helow. Yes, sir.

Mr. Kennedy. After the meeting, Karpf approached you and an employee of yours, a man by the name of Wyckoff about joining the union; is that right?

Mr. Helow. That is right.

Mr. Kennedy. What did he say to you at that time?

Mr. Helow. He said that we had to join his union to stay in business, and to guarantee \$42 a week plus paying him \$1 a week dues.

Mr. Kennedy. How much was this employee getting at that time?

Mr. Helow. I was paying him \$90 take-home pay.

Mr. Kennedy. And Mr. Karpf said he would guarantee him \$42 a week?

Mr. Helow. That is right.

Mr. Kennedy. And he would have to take \$1 out to pay the dues?

Mr. Helow. That is right.

Mr. Kennedy. So there wasn't much interest shown by you, because you were self-employed, or by your employee, because he was making twice as much as they even offered; is that right?

Mr. Helow. Yes, sir.

Mr. Kennedy. Did you have some urging on the part of some of the accounts that you serviced to join the union?

Mr. Helow, I did.

Mr. Kennedy. And you told them that you were not interested; is that right?

Mr. Helow. That is right.

Mr. Kennedy. Did you lose some of your accounts then when you refused to join the union?

Mr. Helow. I did.

Mr. Kennedy. So there was pressure on the part of the employers for you to join the union?

Mr. Helow. Definite.

Mr. Kennedy. You had an application in for Local 349 of the International Brotherhood of Electrical Workers; is that right?

Mr. Helow. I did.

Mr. Kennedy. And that organizing was being done by Mr. Baitler,

the previous witness.

On April 24, during this time that you had your application in with the Electrical Workers, the Taran Distributing Co., for whom you did some work, or for whom you had once worked, I believe, was having a showing for a new kind of machine?

Mr. Helow. That is right.

Mr. Kennedy. And you attended the showing, did you not?

Mr. Helow. Yes, I did.

Mr. Kennedy. There were pickets in front?

Mr. Helow. There was.

Mr. Kennedy. Did you go into the building?

Mr. Helow. I did.

Mr. Kennedy. And then you came out?

Mr. Helow. Yes.

Mr. Kennedy. That was in order to service the account?

Mr. Helow. I had an account to service that day. That is the reason I left.

Mr. Kennedy. Did you run into any difficulty when you left the building?

Mr. Helow. I sure did.

Mr. Kennedy. Would you relate to the committee what happened? Mr. Helow. Well, the picket was walking by the door. I stopped to ask him where he was from. I had never seen him in the business. He told me he is from the Textile Workers. I asked him, "What are you picketing here for?"

Mr. Kennedy. Speak up a little louder, please.

Mr. Helow. I asked him what he was picketing there for from the Textile Workers. He said, "We are organizing the coin machine men," and at that time one of his leaders, Tacetta, he told the picket to take a walk up the street, it is against the rules for a picket to stop and talk.

So I walked up the street and we kept talking about the jurisdiction of the Textile Workers. There was no arguments or anything. About 300 feet up, I got hit behind the neck and in the head, and my feet just

went paralyzed.

This fellow walking up the street, later I found out he was a boxer, he jumped on me, we rolled into the gutter, he stuck his knees into my neck and chest, while Mr. Karpf and Randazzo and the other two pickets started beating me up.

Mr. Kennedy. They knocked you on the ground?

Mr. Helow. That is right.

Mr. Kennedy. There were four of them?

Mr. Helow. Yes, sir.

Mr. Kennedy. And Karpf and Randazzo were two of them?

Mr. Helow. Yes, sir. I found out later this Ramares, who was a painter, and the stepson of Karpf, who was imported from New York to carry the signs.

Mr. Kennedy. He had been a boxer, had he not?

Mr. Helow. Yes, sir.

Mr. Kennedy. Were you knocked unconscious?

Mr. Helow. No, sir.

Mr. Kennedy. Did you go to the hospital afterwards?

Mr. Helow. I did. The police took me right to the hospital.

Mr. Kennedy. Did you have some difficulty then?

Mr. Helow. I did. I wasn't able to work for approximately 2 or 3 weeks. I didn't feel right for about 3 months and I lost all my accounts. I was completely out of business.

Senator MUNDT. Did this occur during daylight hours?

Mr. Helow. Yes, sir.

Senator Mundt. Did the police intervene?

Mr. Helow. They weren't there.

Senator Mundt. Did the police pick up the people who beat you?

Mr. Helow. They didn't until I swore out a warrant for them. Then they did; yes, sir.

Senator Mundt. They picked up all four of them?

Mr. Helow. Not four of them. I didn't know the names of the other two, but I did know Randazzo and Karpf and they were picked up.

Senator Mund. Was this in a pretty well populated part of town? Were you attacked in broad daylight?

Mr. Helow. It was populated.

Senator Mundt. Out on the outskirts of town? Mr. Helow. Yes, it is on the outskirts of the city.

Mr. Kennedy. Subsequently you preferred charges against these

Mr. Helow. I did, with the help of Dan Sullivan of the crime com-

mission. We had them convicted with a six-man jury.

Mr. Kennedy. And Randazzo and Karpf were convicted; is that right?

Mr. Helow. Yes, sir.

Mr. Kennedy. Was it in your estimation because of the fact that you had gone in there and were not interested in joining the union that this occurred?

Mr. Helow. No. I had been threatened right along, and I gradually kept losing my accounts. I just wouldn't pay attention to them. I had found out about Karpf's background and Randazzo's association. I didn't want to have anything to do with them.

Mr. Kennedy. Do you think that was the reason you were

beaten up?

Mr. Helow. I believe so. I thought they would use me for an example.

Mr. Kennedy. You thought they used you as an example?

Mr. Helow. 1 thought so.

Mr. Kennedy. And that is why you were beaten up? Mr. Helow. I thought so. That was my opinion.

Mr. Kennedy. Prior to that, you had lost some accounts and you lost more accounts after that?

Mr. Helow. I ended up with one.

Mr. Kennedy. This was because of the close arrangement that had existed between the association, the employers and this union?

Mr. Helow. I believe so. Well, you see, the people I did work for, they had an investment in their machines. My only investment was my knowledge of repairing equipment.

Mr. Kennedy. In your estimation, was this union an employer-dominated union, the Textile Workers! Was the union controlled by the

association?

Mr. Helow. I really don't know.

Mr. Kennedy. Was Mr. Randazzo present at the time the picketing was taking place!

Mr. Helow. He was.

Mr. Kennedy. Do you know why he was present; why he was there? Mr. Helow. I understood later he had something to do with the union also.

Mr. Kennedy. That is all, Mr. Chairman.

The Chairman, All right. Thank you.

Call the next witness.

Mr. Kennedy, Mr. Norman.

The Charman. You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Norman, I do.

TESTIMONY OF ROBERT NORMAN

The Chairman. State your name, your place of residence, and your

business or occupation.

Mr. Norman. My name is Robert Norman. I reside at 2284 Southwest 6th Street in Miami. I am in the coin-machine business. Until recently I was general manager for Southern Music Co.

The Charman. You waive counsel, do you?

Mr. Norman. Yes, sir.

Mr. Kennedy. About November of 1954, Mr. Tony Randazzo and a man by the name of Tom Mura approached you; is that right?

Mr. Norman, Yes, sir.

Mr. Kennedy. With the proposition about organizing a union in the jukebox industry?

Mr. Norman. That is correct.

Mr. Kennedy. As background, the Southern Music Co. has about 2,500 machines; is that right?

Mr. Norman. Throughout the State of Florida.

Mr. Kennedy. Jukebox amusement machines?

Mr. Norman. Yes, sir.

Mr. Kennedy. And it is operated and owned by a man by the name of Ron Rood; is that correct?

Mr. Norman. That is correct.

Mr. Kennedy. What did Mr. Randazzo and Mr. Mura say to you at that time?

Mr. Norman. They suggested that they might be instrumental in seeing that we would do more business if we were to join the operator's association.

Mr. Kennedy. The Amusement Machine Operator's Association?

Mr. Norman, Yes, sir.

17352

Mr. Kennedy. Did they say if you joined the association, as an inducement they would see to it that the operators would buy more of your machines?

Mr. Norman. That is correct.

Mr. Kennedy. What did you say about that?

Mr. NORMAN. I told them I had no authority, that I was not interested, and I referred them to my employer, Mr. Rood.

Mr. Kennedy. At that time, did you know anything about Mr.

Randazzo?

Mr. Norman. No. sir.

Mr. Kennedy. He worked with the association, though; is that what you understood?

Mr. Norman. No, sir; I did not.

Mr. Kennedy. Well, he was there representing the association? was trying to get you to join the association?

Mr. NORMAN. Yes, but at the time he came in there, I knew nothing

about him whatsoever.

Mr. Kennedy. Did you know anything about Mr. Tom Mura?

Mr. Norman. No. sir.

Mr. Kennedy. Did you know that Mr. Mura, who accompanied him on this trip, had been arrested nine times with four convictions?

Mr. Norman. I know nothing about him at all.

Mr. Kennedy. In 1931 he was charged with burglary, reduced to unlawful entry; 1932, assault and robbery with a gun, which was changed to robbery, for which he received 3 to 6 years in Sing Sing; 1936, in Concord, N. H., larceny, sentence suspended; 1936, in New York, robbery with a gun, for which he received 5 to 10 years. addition to that, he had been arrested some three, four or five times, in addition. But these were the men who came to see you, Mr. Randazzo and Mr. Mura?

Mr. Norman. That is right.

Mr. Kennedy. You told them to see Mr. Rood?

Mr. Norman, Yes.

Mr. Kennedy. What was Mr. Rood's reaction?

Mr. Norman. Mr. Rood refused to entertain a proposal in any shape or form.

Mr. Kennedy. But they did go to see Mr. Rood?

Mr. Norman, They did.

Mr. Kennedy. What did Mr. Rood relate to you that they told him? Mr. Norman. They told him that they would see that the business was increased if they would sign up with the organization.

Mr. Kennedy. You have to speak up.

Mr. NORMAN. I say they told Mr. Rood that our business would be

increased if we were to join with the organization.

Mr. Kennedy. And was it explained to Mr. Rood at that time that Mr. Mura would be the one that was going to handle the union affairs?

Mr. Norman. Yes, sir.

Mr. Kennedy. And Mr. Randazzo was going to be there representing the association, and Mr. Mura was going to be there representing the union; is that right?

Mr. Norman. That is correct.

Mr. Kennedy. Did they indicate at that time what union Mr. Mura was with?

Mr. Norman, No. sir.

Mr. Kennedy. Then in November of 1954, the association members voted by secret ballot to relieve Randazzo of his \$100 per week job that he had held for just a few months; is that right?

Mr. Norman. That is right.

Mr. Kennedy. The next day a group of the association members pulled out of the association and formed a new association called the Automatic Music Guild; is that right?

Mr. Norman. That is correct.

Mr. Kennedy. And they hired Randazzo as a public relations man?

Mr. Norman. That is correct.

Mr. Kennedy. Some of those that pulled out were Mangone and Blatt, Petrocine, X. Y. Zevely, Dave Friedman, Sam Marino; is that right?

Mr. Norman. That is right.

Mr. Kennedy. In the beginning of 1955, Mr. Karpf appeared in the picture; is that right.

Mr. Norman. That is right.

Mr. Kennedy. Mura went out of the picture and Mr. Karpf started to go around with Mr. Randazzo?

Mr. Norman. That is correct.

Mr. Kennedy. And started to organize the employees; is that right?

Mr. Norman. That is correct.

Mr. Kennedy. And the pressure was started to be put on all the employers to join up and become a member of this association, and make this arrangement with Mr. Randazzo and make the arrangement with Mr. Karpf?

Mr. Norman. Well, I have no actual knowledge of that.

heard it from various sources, but I actually don't know.

Mr. Kennedy. Did Mr. Randazzo come to speak to you again? Mr. Norman. Yes, sir; he did.

Mr. Kennedy. Did he tell you what a mistake you were making by not joining up with the association?

Mr. Norman. He told me that conditions would improve if we were

to join the association.

Mr. Kennedy. Then in the latter part of March 1955, a meeting was called of both the old and the new associations, and they joined together, amalgamated; is that right?

Mr. Norman. That is correct.

Mr. Kennedy. And it was further decided then that they would recognize Charlie Karpf's union, which was the Bedding Workers Local of the Upholsterers International Union?

Mr. Norman. Well, I heard that from various sources, but I didn't

actually have knowledge of it.

Mr. Kennedy. Do you know how they came to call it the Bedding Workers local of the Upholsterers Union? Do you know what the Bedding Local would have to do with the coin machine business?

Mr. Norman. No. I thought it was amusing at the time.

Mr. Kennedy. Randazzo came to see you accompanied by Charles Karpf and asked you to sign with the union?

Mr. Norman. That is correct.

Mr. Kennedy. This was Randazzo that came to see you, and Karpf, and told you that you should join the union?

Mr. Norman. Well, he asked me about if I had considered joining the association.

(At this point Senator Mundt left the hearing room.)

Mr. Kennedy. You told them you would have nothing to do with hem?

Mr. NORMAN. I told them again that I would have nothing to do with it, and again referred them to Mr. Rood, because I didn't have the authority.

Mr. Kennedy. Did they also urge you, Mr. Karpf, and Mr. Ran-

dazzo, to join the union, or was it just the association?

Mr. Norman. Just the association.

Mr. Kennedy. Do you know why Mr. Karpf, who was a union official, would be coming to you to urge you to join the association?

Mr. Norman. No, sir; I have no idea.

Mr. Kennedy. Several days later, on April 13, 1955, your place of business was stink-bombed?

Mr. Norman. Yes, sir.

Mr. Kennedy. Would you tell the committee what happened?

Mr. Norman. Well, I don't actually know what happened, except that Monday morning when I came to the office and opened the door, I had to close it and go right out again. We have 8,000 square feet of space. I called the police and they came in and investigated the matter and asked me if I had any idea who did it. I told them I had no idea. They asked me a number of questions. I told them that we had had some difficulty with the associations and so on, and perhaps——

Mr. Kennedy. Do you believe that your place was stink-bombed

because of your opposition to the association and the union?

Mr. NORMAN. Sir, I have no way of telling if that was the cause.

It just seemed peculiar to me.

Mr. Kennedy. I am asking what you believe. I know that nobody was apprehended, nobody was arrested and convicted. Do you believe that that was the reason your place was stink-bombed?

Mr. Norman. I believe that. I can think of no other reason for it.

Mr. Kennedy. Do you remember writing a letter to Mr. John Haddock, who was the president of AMI, Inc., on April 19, 1955?

Mr. NORMAN. I wrote to Mr. John Haddock.

Mr. Kennedy. In which you stated:

I know you fully realize what a grave situation we are in. In my opinion, this was only a warning, and I think we may look forward to other things to come, along the same line. The preliminary gesture in the way of a stink bomb only tended to make me realize that if we agreed to go along with this hoodlum organization it would place us in the position of being forced to accept any terms they might dictate from then on.

Mr. Norman. Yes, sir.

Mr. Kennedy. That is the way you felt at the time?

Mr. Norman. Definitely.

Mr. Kennedy. That was to the president of the AMI?

Mr. Norman. That is right.

Mr. Kennedy. Whose machines were you handling?

Mr. NORMAN. We are State distributors for the AMI music machine.

Mr. Kennedy (reading).

I know for a definite fact that it is the ultimate object of the parties involved to eventually attain the point where they can bargain with the distributors, by

exercising the control which they expect to have over the operators and their employees, by using their usual strong-arm methods.

In this particular case they are merely resorting to the labor organization

method as a subterfuge for their nefarious activities.

Mr. Norman. That is the way I felt about it, and wrote Mr. Haddock, who was very much interested in the situation.

Mr. Kennedy. That was the situation at that time?

Mr. NORMAN. Yes, sir.

Mr. Kennedy. Then there was a great deal of havoc amongst the industry, and normal sales fell off?

Mr. Norman. Yes. We were doing very little in the way of sales.

Mr. Kennedy. You also wrote in the letter that:

Normal sales are entirely out of the picture. Under present conditions we would have to rely on the dictatorship to advise their followers if, when, and how many machines to buy, and from whom.

This was an attempt, was it not, to gain complete control of the industry in the Miami area?

Mr. Norman. That was my opinion.

Mr. Kennedy. And they were using the union as a method of enforcing their will; is that right?

Mr. Norman. That is right.

Mr. Kennedy. It was this collusive arrangement between certain employers and the union, and the union was dominated and controlled by gangsters and racketeers at that time?

Mr. Norman. Well, that was the general picture.

Mr. Kennedy. You have not been able to get rid of the stench completely from your place of business?

Mr. NORMAN. No. sir.

Mr. Kennedy. I don't like to place in the record that your place still smells—

Mr. Norman. It does on damp days.

The CHAIRMAN. How long ago did this occur?

Mr. Norman. Approximately 4 years ago, to the best of my knowledge.

Mr. Kennedy. Subsequently, were you approached and was it suggested to you that there could be a mediator who could arrange peace

in the industry.

Mr. Norman. No, sir, I was not approached. My employer came down from Orlando. A meeting had been arranged. I was invited to come along. The preliminary things were already arranged, and I merely went along with my employer.

Mr. Kennedy. So there was a meeting held, was there not?

Mr. Norman. Yes, sir.

Mr. Kennedy. And the mediator, the man who was going to—this was Mr. Karpf's setup, he set up the meeting, is that right, or Mr. Karpf was present?

Mr. Norman. Mr. Karpf was present; yes.

Mr. Kennedy. And he had as a mediator a man by the name of Joe Scootch; is that right?

Mr. Norman. Well, I don't know who introduced Mr. Scootch.

Mr. Kennedy. Mr. Scootch was introduced as a mediator?

Mr. Norman. He was; yes.

Mr. Kennedy. Who was Joe Scootch? Did you know anything about him?

Mr. NORMAN. I didn't know anything about him until afterward. had never heard of him. I didn't know who he was.

Mr. Kennedy. Did you know he was also known as Joe Indellicato? Mr. Norman. I had no knowledge until later on. I didn't know who

he was or what he represented.

Mr. Kennedy. And he had been arrested some four times and has three convictions. Is that right?

Mr. Norman. I know nothing whatsoever about the man.

Mr. Kennedy. The last conviction coming in 1932 for assault and robbery, where he received a sentence of 10 to 20 years in the State prison in New York.

Why would a man with that background be selected as a mediator

in the industry?

Mr. Norman. Sir, I frankly do not know. That was the only time I ever saw the man. He left there. I read something about him later on, and I have never heard anything about him since.

Mr. Kennedy. Why were there so many people with criminal

records who were involved in this activity? Do you know?

Mr. Norman. No, sir; I don't.

Mr. Kennedy. The meeting was broken up by reporters finding out about it?

Mr. Norman. Yes, sir.

Mr. Kennedy. And everybody ran?

Mr. Norman. Yes, sir.

Mr. Kennedy. The reporters brought photographers with them, did thev?

Mr. Norman. Yes, sir.

Mr. Kennedy. So it broke the meeting up?

Mr. Norman. Yes, sir.

Mr. Kennedy. Then in June 1955 you wrote another letter to Haddock:

In spite of all this unfavorable publicity, it seems that although the association is disposing of Karpf and his union they insist upon retaining Randazzo; although Rood and I offered streuuous objections to their policy, the association apparently insists upon pursuing the same course.

It would seem to me that under the circumstances, all of the parties concerned should be grateful for the opportunity which is offered at this time to break away from the stranglehold which they as well as we have been confronted with.

So you continued to resist the organizing efforts of Karpf; is that right?

Mr. Norman. We definitely continued to resist the efforts.

Mr. Kennedy. Were your employees at the time you terminated your relationship with the company members of any union?

Mr. Norman. No, sir. We had nothing whatsoever to do with any union or association.

Mr. Kennedy. Mr. Chairman, I quoted from several letters. Could

we have those identified?

The CHAIRMAN. I hand you three letters, photostatic copies of letters, one dated April 19, 1955; another April 27, 1955; and a third of June 6, 1955, all three of them addressed to Mr. J. W. Haddock, Grand Rapids, Mich. They all appear to be signed by R. J. Morgan, who I believe is the witness.

Will you please examine these letters, these photostatic copies, and

state if you identify them as such?

(The documents were handed to the witness.)

Mr. Norman. Those are letters that I wrote to Mr. Haddock.

The Charman. They may be made exhibit 69-A, 69-B and 69-C, in the order of their dates.

(Letters referred to were marked "Exhibits 69-A, 69-B, and 69-C" for reference and may be found in the files of the select committee.)

Mr. Kennedy. That is all, Mr. Chairman.

The Chairman. Are there any further questions of this witness?

If not, thank you very much.

Call the next witness.

Mr. Kennedy, Mr. Blatt.

The Chairman. Mr. Blatt, come forward, please. Be sworn.

You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Blatt. I do.

TESTIMONY OF WILLIAM BLATT

The Chairman. State your name, your place of residence, and your

business, please, sir.

Mr. BLATT. My name is William Blatt. I live at 654 North Shore Drive, Miami Beach. My business is jukeboxes and cigarette machines. The CHAIRMAN. Jukeboxes and what!

Mr. Blatt. Cigarette machines.

The Chairman. You waive counsel?

Mr. Blatt. I do.

The Chairman. All right, Mr. Kennedy.

Mr. Kennedy. Mr. Chairman, Mr. May will question the witness. The Chairman. Very well.

Mr. May. Mr. Blatt, how long have you been in the coin operated machine business?

Mr. Blatt. About 30 years.

Mr. May. What is the name of your company at the present time?

Mr. Blatt. Music Makers.

Mr. May. How many employees do you have, Mr. Blatt?

Mr. Blatt. Six.

Mr. May. Have you been a member of various associations while in Miami?

Mr. Blatt. Yes.

Mr. May. Would you list them for us? Would you list the associations with which you have been connected?

Mr. Blatt. Well, I can only tell you the last group. The others I

couldn't remember.

Mr. May. Are you presently associated with an association?

Mr. Blatt. No. I am a member of it. Mr. May. What association is that?

Mr. Blatt. The AMOA.

Mr. May. What is the full name of that?

Mr. Blatt. I think it is the Amalgamated Machine Operators Association.

Mr. May. Amalgamated Music Operators Association?

Mr. Blatt. Or machine operators. I am not sure. Mr. May. Were you a director of that at one time?

Mr. Blatt. Yes.

Mr. May. When was that?

Mr. Blatt. At various times on and off for the past few years.

Mr. May. In 1950 an association was formed called the Amusement Machine Operators of Miami, and you became president, is that true? Mr. Blatt. That could be. I don't remember that far back. But

Mr. Blatt. That could be. I don't remember that far back. But it is possible.

Mr. May. In 1954, the operators belonging to that association began to have some trouble with the distributors; is that correct?

Mr. Blatt. That is right.

Mr. May. Which distributors, Mr. Blatt?

Mr. Blatt. All of them on and off. But particularly with Ron Rood.

Mr. May. Ron Rood? Mr. Blatt. Right.

Mr. May. And did other members of the association have some difficulty with Mr. Bush?

Mr. Blatt. Yes.

Mr. May, Was there another distributor involved? Mr. Sam Taran?

Mr. Blatt. At one time or another we always had trouble from the distributors.

Mr. May. What were these distributors doing, Mr. Blatt, that caused concern to the operators?

Mr. Blatt. Well, they would set out like grandfather, or something.

Mr. May. Grandfather?

Mr. Blatt. Grandfather is a name for somebody that they finance, and give them equipment to go out and set other operators.

Mr. May. Is it also called a whip company? Mr. Blatt. Well, you could call it that.

Mr. May. How did it operate?

Mr. Blatt. Well, you get an employee out of your own distributing outfit, or a tie-in with somebody else. You give them equipment without a downpayment and they just go out and set machines whether they are profitable or not in order to promote sales.

Mr. MAY. This is a move on the part of the distributors to force the

operators to buy new machines; is that true?

Mr. Blatt. Occasionally, yes.

Mr. May. In the course of their activity, did you lose some locations yourself?

Mr. Blatt. Yes.

Mr. May. About how many?

Mr. Blatt. About 30.

Mr. May. And other members of the association also lost locations to these distributors?

Mr. Blatt, At one time or another, yes.

Mr. May. What action did the association take to combat the activity on the part of the distributors?

Mr. Blatt. Well, you had to go in and buy equipment. Mr. May. Did you hire Mr. Randazzo about that time? Mr. Blatt. Mr. Randazzo came in, yes, just about that time.

Mr. May. Could you tell us how Mr. Randazzo happened to be hired by the association?

Mr. Blatt. At one of the meetings that I presided over, the discussion came about how could we stop the raiding of these locations. I was not a paid employee of any kind, and I could give very little time to it. I would preside over a meeting maybe once every 2 weeks or once every 4 weeks. During the course of the discussion, Mr. Mangone suggested—

Mr. May. Mr. Joseph Mangone?

Mr. Blatt. Yes. Suggested that he had one of his locations and the man would be willing to undertake the job of trying to straighten the things out.

Mr. May. Did you interview Mr. Randazzo?

Mr. Blatt. The members voted that I and a committee interview Mr. Randazzo. I told Mr. Mangone to make an appointment, which he did.

I, Mr. Mangone, and probably a few others—I don't remember who they were—interviewed Mr. Randazzo. I asked him if he had no record, and he said no.

Mr. May. You asked him if he had a criminal record?

Mr. Blatt. That is right. And I asked him how much he wanted. He said he would take \$100 per week.

Mr. May. He said he had no criminal record?

Mr. Blatt. That is right. I said that I would bring that before the next meeting. At the next meeting, which was probably 2 weeks or a month later, I told the members about it, and somebody made a motion and it was voted on that we hire Randazzo on a temporary basis at \$100 a week.

Mr. MAY. What was Mr. Randazzo doing at the time you hired him?

Mr. Blatt. He was running a restaurant.

Mr. May. Did he continue to operate the restaurant?

Mr. Blatt. That I can't tell you. I don't know. Well, he was in the restaurant.

Mr. May. Did he have any previous experience in the coin-machine field?

Mr. Blatt. Not that I know of. Mr. May. Was he given a title? Mr. Blatt. Business manager.

Mr. May. What was he specifically supposed to do for the association?

Mr. Blatt. Well, when locations are lost by operators, he was supposed to go out, talk to the owners, and try to convince them that they ought to take the operator back.

Mr. May. This was a period when the distributors, through their whip companies, were taking locations from the association members?

Mr. Blatt. Yes. Well, at that time I know that I had trouble with Ron Rood, but I don't know if the other distributors were also troublesome at that particular time.

Mr. May. Mr. Randazzo was just supposed to go out and talk to the location owners and persuade them to retain the machines of the association members?

Mr. Blatt. That is correct.

Mr. May. How could be induce that?

Mr. Blatt. Maybe he would be a good salesman. Who knows?

Mr. May. Shortly after Mr. Randazzo was hired, isn't it true that a vote was taken and the membership of the association voted to release Mr. Randazzo?

Mr. Blatt. After Mr. Randazzo was hired, I resigned as president. Randazzo was there several weeks or a month after he was

hired and I resigned.

Subsequently—I don't know. There is a possibility. You see, I have a partner, and if I don't attend the meeting, he does. There is a possibility that a vote was taken that he be fired at that particular meeting that my partner attended.

Mr. May. Why was he fired?

Mr. Blatt. I don't know. He probably didn't do his job.

Mr. May. He wasn't successful in retaining locations?

Mr. Blatt. Probably. That must have been the cause, if he was fired.

Mr. May. What happened after he was fired? Did the association remain as it was?

Mr. Blatt. The association was split up into two. I didn't attend several meetings. But the next meeting I attended was at Mr. Randazzo's restaurant. At that time there was more or less a complete set of new officers, presided over by a fellow named Eddie Petrocine. I think he was the president at that time.

Mr. May. And they formed the Automatic Music Guild?

Mr. Blatt. That is correct.

Mr. May. And you became a member of that?

Mr. Blatt. That is right.

Mr. May. Did the Electrical Workers Union become active about this period?

Mr. Blatt. The union came into being just about that time.

Mr. May. Did Mr. Karpf became active also, with his Upholsterers

Mr. Blatt. Well, I don't know what union he had at that time, but whatever union he had at that time, he became active.

Mr. May. Did some of the operators favor Mr. Baitler and the

Electrical Workers Union and others favor Mr. Karpf?

Mr. Blatt. Yes; because Baitler organized one segment of the workers, and Karpf organized another segment. They were just like split in half almost.

Mr. May. That is when the association was split and the Automatic Music Guild was formed. It then signed a contract with Mr.

Karpf's union?

Mr. Blatt. I don't believe there was a contract signed until both associations got together.

Mr. May. Both associations eventually merged again in March 1955.

Mr. Blatt. I don't believe there was a contract signed with them during that time. I am not sure.

Mr. May. Well, at least after the merger did the association sign a contract with Mr. Karpf?

Mr. Blatt. That is right.

Mr. May. How did that come about?

Mr. Blatt. Well, he said he organized all the employees, and at a meeting he negotiated a contract with the association.

Mr. May. He said he signed the employees?

Mr. Blatt. That is right. I know he signed mine. I don't know about the others.

Mr. May. He showed you the application cards from the employees?

Mr. Blatt. For my men; yes.

Mr. May. You saw the application cards of your own employees? Mr. Blatt. No, but he told us he did. I never looked at them.

Mr. May. The employees wanted this union?

Mr. Blatt. Whether they wanted it or not, they were signed up by him.

Mr. May. Did the operators want this union?

Mr. Blatt. That is again the same thing. I really don't know. I know as far as we are concerned, my men were signed up by Karpf and that was it.

Mr. May. This morning, Mr. Blatt, you told me it was sort of a mutual desire on the part of both the operators and the employees

to take Mr. Karpf's union.

Mr. Blatt. I will still say the same thing. You know, when a man drowns, he grabs at a straw. We figured as long as he did sign our men, it might be good for the organization. Who knows? At that time, there were no troubles.

Mr. May. Who was drowning at this time, Mr. Blatt?

Mr. Blatt. Well, the men that were losing locations were drown-

ing. We were.

Mr. May. Was it the purpose to sign a contract with this union or to reach an agreement that it would help in retaining and obtaining some locations for the operators?

Mr. Blatt. That is right, because I believe—I don't know much about unions, but I believe that one union man cannot take locations

from another union man.

Mr. Max. The association members were having trouble with the distributors, and they hired Mr. Randazzo to retain and obtain locations. He was unsuccessful. The association eventually signed a contract with Mr. Karpf's union in an attempt to become more successful and retain locations; is that true?

Mr. Blatt. Well, that wasn't the sole purpose.

Mr. May. It was one of the purposes?

Mr. Blatt. Yes.

Mr. May. What other purposes?

Mr. Blatt. Yes, it could be.

Mr. May. Was there another purpose?

Mr. Blatt. Yes. The men were signed up by him. What could we do?

Mr. MAY. Did they obtain additional benefits through the contract?
Mr. Blatt. I believe they did. You see, hours were very bad for employees, and I think he got better hours.

Mr. May. Did your employees obtain higher wages as a result of

the contract?

Mr. Blatt. They did. We paid the highest wages in the city.

Mr. May. You did before the contract?

Mr. Blatt. Well, we did before the contract, but now we pay still more because we have men who take \$100 or more home.

Mr. MAY. You pay more than the contract actually calls for?

Mr. Blatt. Today, yes.

Mr. May. And you did then?

Mr. Blatt. Then, too.

Mr. May. What benefit do the employees receive?

Mr. Blatt. Well, like I said, I believe there was a settlement for shorter hours.

You see, the peculiarity in the coin machine industry—I don't know if you want me to go on with anything like that, because you don't want to go into the coin machine business, but the peculiar business about the coin machine industry is that a man works a day and then he takes calls at night. He may not get a call during the entire evening, but he has to be subject to stay home in order that if a call does come in he has to go out and do it.

Mr. May. How does this contract with Mr. Karpf's union rectify

Mr. Blatt. They have to get additional pay for staying home. Or we had to change them this way: We had to scatter them. Instead of a man coming in at 9 o'clock in the morning, he would come in, say, around 10 or 11 o'clock and be on service until 11 o'clock that night.

Mr. May. Did you continue to lose locations after the contract was

signed?

Mr. Blatt. Yes.

Mr. May. How did you resolve that situation with Mr. Rood?

Mr. Blatt. We eventually made a deal and bought some equipment.

Mr. May. How much equipment? Mr. Blatt. I think 10 machines.

Mr. May. And after that he stopped taking the locations?

Mr. Blatt. That is right.

Mr. May. Mr. Karpf changed unions. Did the arrangement between Mr. Karpf and the association continue after Mr. Karpf left the Upholsterers Union and went with the United Textile Workers of America?

Mr. Blatt. I believe so.

Mr. May. Was a contract signed?

Mr. Blatt. There was only one contract signed. I think that same

contract remained in effect.

Mr. May. It became sort of an oral agreement, then, with Mr. Karpf, when he went with the United Textile Workers?

Mr. Blatt. That I can't—well, probably. Mr. May. Who paid the dues for your employees to Mr. Karpf?

Mr. Blatt. My employees.

Mr. May. Did the company pay any?

Mr. Blatt. The company made out a check, but we deducted \$1.25 per week from them.

Mr. May. Did the company pay anything to Mr. Karpf in addition

to dues?

Mr. Blatt. There was some kind of an assessment for sixty-someodd dollars and seventy-some-odd dollars, a total of about \$150.

Mr. May. What was that for?

Mr. Blatt. It must have been an assessment for something. I don't know.

Mr. May. How can the union assess the company?

Mr. Blatt. I don't know.

Mr. May. Did you deduct that as a business expense?

Mr. Blatt. It was done. What?

Mr. May. Was it deducted as a business expense?

Mr. Blatt. It must have been, as a union expense, yes.

Mr. May. And you don't know why you paid Mr. Karpf the money?

Mr. Blatt. No, I don't.

Mr. May. Did you have any labels or stickers at that time?

Mr. Blatt. I was under the impression we didn't have any. don't think we had labels. I might be wrong. It is 4 years.

Mr. May. You just can't give us a reason for paying Mr. Karpf

the money?

Mr. Blatt. Do you mean for that \$150?

Mr. May. Yes.

Mr. Blatt. If there were labels, it could have been for the labels. But I don't remember any labels on any of our machines.

Mr. May. Eventually Mr. Karpf lost the charter of the United

Textile Workers Union, too.

Did Mr. Baitler organize your employees about that time?

Mr. Blatt. Yes.

Mr. May. With which labor union was Mr. Baitler associated at that time?

Mr. Blatt. The Teamsters.

Mr. May. Are your employees now in the Teamsters Union?

Mr. Blatt. Right.

Mr. May. Who pays the dues? Mr. Blatt. They pay their dues.

Mr. May. Do you have a contract with the Teamsters Union?

Mr. Blatt. We had a contract that originally was signed through Baitler, I think. It has never been renewed.

Mr. May. At the present time you don't have a contract?

Mr. Blatt. I don't think so, unless it renews itself.

Mr. May. You don't know?

Mr. Blatt. No, I don't. I can't remember anything we signed 4

years ago or 5 years ago.

Mr. May. As far as you know at the present time you have no contract with the Teamsters Union, yet your employees are paying dues? Mr. Blatt. We have never signed a new agreement.

Mr. May. According to our information, you pay some \$30 a month dues, and that is deducted from the wages of your employees?

Mr. Blatt. That is correct.

Mr. May. Your employees work on both jukeboxes and eigarette machines?

Mr. Blatt. Yes, sir.

Mr. May. You have about how many of these?

Mr. Blatt. About 225, or something like that, and a few more or less, total.

Mr. May. How many jukeboxes?

Mr. Blatt. About 150.

Mr. May. You have 75 cigarette machines?

Mr. Blatt. About that.

Mr. May. How much a month does each employee pay?

Mr. Blatt. Five dollars.

Mr. May. Your employees work on both jukeboxes and cigarette machines?

Mr. Blatt. That is right.

Mr. May. You told me this morning, Mr. Blatt, that you also belong to a cigarette employers association.

Mr. Blatt. That is right, I did.

Mr. May. You mentioned that fairly recently they wanted to hire a man to help obtain locations. Will you tell us about that situation?

Mr. Blatt. Well, the man's job is not just to straighten out locations. It turned out that they did hire a man and I just found out, but he is an inside man and he takes telephone calls.

Mr. May. You told me about their wanting to hire a man to obtain

locations and you said you would have nothing to do with it.

Mr. Blatt. That is the man that would straighten out locations, but they did hire a man, I found out, that was an inside man and he answers calls. You see, I resigned from the Cigarette Machine Association, and the man was hired after I resigned.

Mr. May. Why did you resign? Mr. Blatt. Well, I just resigned.

Mr. MAY. You had some trouble with Frankie Dio?

Mr. Blatt. Trouble?

Mr. May. Yes.

Mr. Blatt. No trouble.

Mr. May. Do you know Frankie Dio?

Mr. Blatt. Yes, sir.

Mr. May. Is he the brother of Johnny Dioguardi of New York?

Mr. Blatt. I believe so, and I read about it.

Mr. May. Was Frankie Dio in the cigarette business?

Mr. Blatt. Yes, sir.

Mr. May. Did he take some locations?

Mr. Blatt. Yes.

Mr. May. How did he obtain the locations?

Mr. Blatt. He went out and I suppose he knows some people, and others he gave gifts, probably \$50 or \$100.

Mr. May. Did he take locations from the association members?

Mr. Blatt. Yes.

Mr. May. About how many?

Mr. Blatt. About 50.

Mr. Max. Did you go to see him?

Mr. Blatt. I did.

Mr. May. What occurred?

Mr. Blatt. The association at the time I was in the association, decided that maybe we ought to buy the route and divide it among the members as to who lost how many locations, and I went in to see him.

He said, "Yes, he would sell it at about \$3,000 per case." I went back to the association and they said, "All right, let us buy it and each one will take the locations that he lost."

I went back to see him, but nothing came of it, and then I resigned, and that is it.

Mr. May. This was a situation where Frankie Dio went out and took some 40 locations?

Mr. Blatt. Fifty locations.

Mr. May. From the association members?

Mr. Blatt. Yes, sir.

Mr. May. And you went to see him with the idea of buying back your own locations?

Mr. Blatt. No, buying the entire route.

Mr. MAY. The entire route, including the locations that he took from you, and his price was too high? You don't consider that an extortion of any type?

Mr. Blatt. Call it what you want.

Mr. May. You didn't go through with it?

Mr. Blatt. No, we didn't. Mr. May. You mentioned that Mr. Randazzo was fired from the association initially, and yet when the Automatic Music Guild was formed, Mr. Randazzo was hired again. You said he was fired because he was unsuccessful in the first instance, and why was he rehired by the second association?

Mr. Blatt. That I can't tell you, because when I came to the meeting there were several meetings held prior to my attending that particular

meeting, and I said I missed a couple of meetings.

Mr. May. Was he somewhat more successful when he began to collaborate with Mr. Karpf?

Mr. Blatt. Not that I know of.

The Chairman. The committee will stand in recess until 2 o'clock. (Whereupon, at 12:20 p.m., the committee recessed, to reconvene at 2 p.m., the same day. Members of the select committee present at the taking of the recess were Senators McClellan and Capehart.)

AFTERNOON SESSION

(The select committee met at 2 p.m., in room 1202, Senate Office Building, Senator John L. McClellan, chairman of the select committee, presiding.)

The CHAIRMAN. The committee will come to order.

(Members of the select committee present at the convening of the afternoon session were Senators McClellan and Capehart.)

Call the next witness.

Mr. Kennedy. Mr. Sam Taran.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. TARAN. I do.

TESTIMONY OF SAM TARAN, ACCOMPANIED BY COUNSEL, EDWARD N. MOORE

The Chairman. State your name, your place of residence, and your

business or occupation, please.

Mr. Taran. My name is Sam Taran, and I live in Miami Beach, Fla., 715 Fairway Drive, Miami Beach, and my place of business is 3401 Northwest 36th Street, Miami, Fla. I am in the general coin machine business and music business and a wholesale record business.

The CHAIRMAN. Thank you very much.

Do you have counsel?

Mr. Counsel, will you identify yourself for the record, please.

Mr. Moore. My name is Edward N. Moore, of the law firm of Walters, Moore, and Costanzo, in Miami, Fla.

The CHAIRMAN. All right, Mr. Moore, thank you.

Proceed.

Mr. Kennedy. Mr. Taran, you have been in the coin machine business for how many years, approximately?

Mr. Taran. Approximately 23 or 24 years.

Mr. Kennedy. During the course of your life you have had some difficulties with the law, the last one being a conviction back in 1937; is that correct?

Mr. Taran. Yes, sir.

Mr. Kennedy. And you have been convicted on a couple of other occasions?

Mr. Taran. Yes, sir.

Mr. Kennedy. Now, when did you first get into the coin machine business, Mr. Taran?

Mr. Taran. Sometime in the middle 30's.

Mr. Kennedy. What is that? Mr. Taran. In the middle 30's.

Mr. Kennedy. In the middle 30's?

Mr. Taran. Yes, sir.

Mr. Kennedy. And what were you doing then, at that time?

Mr. Taran. I was in the automobile finance business.

Mr. Kennedy. What coin machine business did you have?

Mr. Taran. General distribution.

Mr. Kennedy. Of what kind of machines?

Mr. Taran. Well, we started handling the Wurlitzer product, the Bally Manufacturing Product.

Mr. Kennedy. Where were you handling Wurlitzer?

Mr. Taran. In Minnesota. Mr. Kennedy, Whereabouts? Mr. Taran. In St. Paul, Minn.

Mr. Kennedy. Did you know Mr. Hammergren at that time?

Mr. TARAN. No, sir.

Mr. Kennedy. Subsequently, did you meet Mr. Hammergren?

Mr. Taran. Yes, sir.

Mr. Kennedy. Mr. Hammergren gave you the exclusive distributorship of the Wurlitzer machine in the Minneapolis-St. Paul area?

Mr. Taran. In the Minnesota area; yes, sir.

Mr. Kennedy. At that time, he also made a financial arrangement with you that you would pay him a certain amount of money for obtaining that distributorship?

Mr. Taran. Yes, sir, but he didn't do it, but one of his associates did.

Mr. Kennedy. Who was that? Mr. Taran. Alvin Goldberg.

Mr. Kennedy. How much did you have to pay to Mr. Hammergren and Mr. Goldberg?

Mr. Taran. To the best of my knowledge I think it was, we started

with 15 percent, and wound up with 25 percent.

Mr. Kennedy. Was that a general procedure that was followed by Mr. Hammergren, when he granted a distributorship that he would take a percentage of their earnings? Did you understand that was a general procedure?

Mr. Taran. I wouldn't want to say it was a general procedure, but

it was common discussion in the trade.

Mr. Kennedy. Was there any reluctance on the part of Mr. Hammergren by the fact you had had this difficulty or these difficulties with the law enforcement? Was there any reluctance on his part to give you the distributorship for the Wurlitzer!

Mr. Taran. There was no reluctance on any manufacturer's part

to give me the distributorship.

Mr. Kennedy. How long did you have the distributorship in Minnesotathen?

Mr. Taran. Until 1945.

Mr. Kennedy. Did you also go into Buffalo and obtain a distributorship there?

Mr. Taran. Yes, sir.

Mr. Kennedy. When was that?

Mr. Taran. I believe it was in 1941.

Mr. Kenneby. And how long did you have the one in Buffalo!

Mr. Taran. To the best of my recollection, I would say it would be October of 1944.

Mr. Kennedy. Did you have any difficulty when you were in Buffalo, with any union operation?

Mr. Taran. Yes, at one time.

Mr. Kennedy. What was that, just briefly?

Mr. Taran. At one itme, it was either in 1941 or early in 1942, and I don't recall the exact date, where a union was being formed over there headed by a fellow named Ben Kulick, who was the Seeburg distributor, and I understood that Bill Presser was the big man behind it.

Mr. Kennedy. Now, do you know how to spell his name?

Mr. Taran. I do not know exactly, and I think it is—

Mr. Kennedy. How do you spell his name?

Mr. Taran. I don't know, and I just imagine it is P-r-e-s-s-e-r.

Mr. Kennedy. I am not talking about him. I am talking about the other man.

Mr. Taran. Kulick, I doubt I can spell his name.

Mr. Kennedy. K-u-l-i-c-k? Mr. Taran. Possibly so.

Mr. Kennedy. He was a distributor for what company?

Mr. Taran. For the Seeburg Manufacturing Co.

Mr. Kennedy. And you understood that behind him was Mr. Presser; is that right?

Mr. Taran. Yes, sir.

Mr. Kennedy. And this was an attempt by that company through Mr. Kulick and Mr. Presser to gain control of the industry in the Buffalo area?

Mr. Taran. In some respect; yes.

Mr. Kennedy. Well, that was the purpose of it?

Mr. Taran. Yes, sir.

Mr. Kennedy. And did you in order to combat that, form your own union?

Mr. Taran. After I got most of the operators in the area together, and they feared that unless they had some protection against boycotting, or what do they call it, picketing, that they would have no

protection. They might eventually lose a lot of locations, and so I decided to get someone to help me to get another charter, and we did form a union and we brought up the operators, one of us had more and one a little less, but anyway——

Mr. Kennedy. You were able to stop the operation of Mr. Presser?

Mr. Taran. Yes, sir.

Mr. Kennedy. Now, that is the same Mr. Presser who is presently active as president of the Ohio Conference of Teamsters, is it not?

Mr. TARAN. To the best of my knowledge, I think it is.

Mr. Kennedy. He has been very active in the coin machine operations for approximately 20 years?

Mr. TARAN. Yes, sir.

Mr. Kennedy. Now, in addition to having the distributorship in Buffalo, did they offer it to you—

The Chairman. The committee will stand in recess for about 20

minutes.

(A brief recess was taken.)

(Members of the select committee present at the taking of the recess were Senators McClellan and Capehart.)

The Chairman. The committee will come to order.

Proceed.

Mr. Kennedy. Mr. Chairman, if I may interrupt this witness, we have some testimony in connection with Frank Dioguardi taken this morning, and the record was incomplete. I thought I would place into the record the fact that he has a company called the Sunny Isle Cigarette Co., 7444 Biscayne Boulevard; that he originally had a third interest in his wife's name, but on June 26, 1958, 100 percent of it went to his wife's name, Camille Dioguardi.

The permit that was originally ussued was issued on January 8, 1958, for 25 machines, and as of February 1959, there are 61 machines. They sold, as of February 1959, some 28,000 packages of cigarettes. He, of course, has a felony conviction, as did his brother, Johnny

Dioguardi.

We were talking about Buffalo, Mr. Taran. Were you also offered the franchise in New York City?

Mr. Taran. There was some discussion on it.

Mr. Kennedy. You had a discussion on it. What did you decide about New York City?

Mr. Taran. I turned it down even if it was offered.

Mr. Kennedy. You turned it down?

Mr. Taran. Yes, sir.

Mr. Kennedy. For what reason?

Mr. Taran. I didn't want to be in New York. The Charman. You didn't want to what?

Mr. Taran. I didn't want to be in New York. I didn't want to face the element.

Mr. Kennedy. You didn't want to be in New York?

Mr. Taran. That is right.

Mr. Kennedy. What is the reason that you didn't want to be associated with New York?

Mr. TARAN. I didn't want to face the element, the unions and the

tough guys, and I wanted to stay out of there.

Mr. Kennedy. Are they supposed to be tougher in New York than Minnesota?

Mr. Taran. Well, that is generally accepted.

Mr. Kennedy. When you speak of tough guys, you mean the element that used force, violence, and carry guns? Is that correct; that kind of group?

Mr. Taran. I think so.

Mr. Kennedy. You don't mean just the regular tough fellows who are able to protect themselves, but you mean the group that are involved in violence?

Mr. Taran. Yes, sir.

Mr. Kennedy. Involved with the so-called underworld; is that right?

Mr. Taran. Yes. sir.

Mr. Kennedy. What about Detroit? Had you also had some discussions about getting the franchise in Detroit?

Mr. Taran. Yes, sir; there was also a discussion about Detroit.

Mr. Kennedy. Did you turn that down for the same reason?

Mr. TARAN. Yes, sir; for the same reason, and reasons that I didn't want too many ventures. I didn't want to go out and kill myself.

The CHAIRMAN. What was that about killing yourself?

Mr. Taran. I didn't want to go out and kill myself by having 10 offices. I told them it was difficult to manage two or three offices. When I say "kill myself," I mean to overwork.

Mr. Kennedy. You don't mean to get yourself killed?

Mr. TARAN. No. I meant to overwork; you know, you can kill yourself working.
Mr. Kennedy. Did Mr. Angelo Meli have the franchise in Detroit?

Mr. Taran. No.

Mr. Kennedy. Who had it? Did he ultimately get the franchise? Mr. TARAN. Yes; I understand that he did.

Mr. Kennedy. Did you get the franchise in Pittsburgh?

Mr. TARAN. Yes, sir.

Mr. Kennedy. How long did you have that?

Mr. Taran. Pretty much about the same time as we did in Buffalo. I think we sold Pittsburgh a little sooner.

Mr. Kennedy. What other cities did you go into?

Mr. TARAN. Pittsburgh, Philadelphia, and Buffalo, N.Y.

Mr. Kennedy. Did you also expand into Florida?

Mr. TARAN. No. That was apt to be completely out of the others.

Mr. Kennedy. You got out of the Wurlitzer Co.? Mr. TARAN. No, I didn't get out of the Wurlitzer Co.

Mr. Kennedy. You broke your relationship off with the Wurlitzer

Mr. Taran. Mr. Hammargren canceled me out in 1945.

Mr. Kennedy. You had a dispute with him?

Mr. Taran. Yes. And I completely stepped out from all these offices. He finally sent word to me that as long as I was moving to Miami, would I be interested in the Florida territory, and after I looked it over and saw there were possibilities, I thought I might as well get in action and take it.

Mr. Kennedy. So you took Florida then?

Mr. TARAN. Yes.

Mr. Kennedy. Was that for Wurlitzer?

Mr. TARAN. Yes.

Mr. Kennedy. Do you still have it for Wurlitzer in Florida?

Mr. Taran. No, sir.

Mr. Kennedy. Who do you have it for now?

Mr. Taran. Rockola.

Mr. Kennedy. When did you get Rockola?

Mr. Taran. 1953.

Mr. Kennedy. You also have Cuba, do you not?

Mr. Taran. No, sir; we don't have the franchise in Cuba.

Mr. Kennedy. What kind of machines do you have in Cuba?

Mr. TARAN. At this time I don't know what.

Mr. Kennedy. Well, prerevolution, what machines did you have?

Mr. Taran. I didn't have any. Mr. Kennedy. Well, your family.

Mr. Taran. Combined, a combination of Wurlitzer, Rockolas, and Seeburgs.

Mr. Kennedy. Just jukebox machines; is that right?

Mr. Taran. Yes.

Mr. Kennedy. Did anybody else have a franchise in Cuba other than you?

Mr. TARAN. Yes, sir.

Mr. Kennedy. Who else had the franchise?

Mr. Taran. Well, various persons have different franchises. One

has the Seeburg, one has the Rockola.

Mr. Kennedy. How were you able to have the franchise for two or three different machines? You had Rockola, Seeburg and Wurlitzer?

Mr. TARAN. Well, I never had them at the same time.

Mr. Kennedy. At various times?

Mr. TARAN. That is right.

Mr. Kennedy. What do you have down in Cuba at the present time?

Mr. TARAN. Nothing.

Mr. Kennedy. What franchise did you have in Cuba prior to the revolution?

Mr. Taran. No franchise.

Mr. Kennedy. What did you have?

Mr. Taran. Just an operation.

Mr. Kennedy. You were just selling machines, distributing nachines?

Mr. TARAN. That is not me. That is my family or the office.

Mr. Kennedy. You were an operator, then, in Cuba; is that right? Mr. Taran. An operator and they're also selling machines out there, jobbing and selling.

Mr. Kennedy. Have there been attempts by any individuals to come in and take over your business since you have been in Miami?

Mr. Taran. No, not that I know of.

Mr. Kennedy. Was there an attempt back in 1953 or so?

Mr. Taran. Well, there was an attempt, and Bush came in in 1948 and took over the Wurlitzer franchise.

Mr. Kennedy. Who was that?

Mr. Taran. Bush Distributing, Ted Bush.

Mr. Kennedy. First in 1947, didn't you have a visit by two men who came in and said that they were going to take over your business?

Mr. Taran. No, they didn't want to take over by business. They wanted to get a portion of it.

Mr. Kennedy. Who did they say they represented?

Mr. Taran. They said they represented a group of people; they did not tell me exactly who they represented.

Mr. Kennedy. Did you understand that they were "tough guys"?

Mr. Taran. Yes. I took that for granted.

Mr. Kennedy. Did you refuse to go along with it?

Mr. Taran. That is right.

Mr. Kennepy. Did your building burn down shortly afterwards?

Mr. Taran. Yes, sir.

Mr. Kennedy. And one of the people that was involved in burning the building down was caught inside and was burned to death himself?
Mr. Taran. So I understand. I was not there when it took place.

Mr. Kennedy. Did you consider that the burning of your building had something to do with the fact that you refused to turn over part of your business or bring them in as partners?

Mr. Taran. It was my opinion.

Mr. Kennedy. At that time also did they tell you that they would set up a union, and the union would furnish you protection?

Mr. Taran. They said they would furnish me protection. They

didn't say exactly which way.

Mr. Kennedy. Was there any discussion about a union?

Mr. Taran. No. I didn't go into it far enough. I was just not interested in taking in people with me, to give up any portion of the business. Nor was I interested in the business that they were interested in.

Mr. Kennedy. There was an attempt, about which we have had testimony this morning, on the part of Mr. Karpf, together with some other distributors, to gain control of the industry in the Miami area. What part did you play in that?

Mr. Taran. Well, I don't know whether there was an attempt to gain

control. They wanted to form a union.

(The witness conferred with his counsel.)

Mr. Kennedy. What was Tony Randazzo, Charlie Karpf, and Joe

Scootch doing down there?

Mr. Taran. Well, I told you Randazzo and Charles Karpf were interested in forming a union in Miami, Florida.

Mr. Kennedy. For what purpose!

Mr. Taran. Well, I don't know for what purpose.

Mr. Kennedy. Didn't they come to see you and have some discussions with you?

Mr. Taran. Yes, they did.

Mr. Kennedy. What did they explain to you at that time?

Mr. TARAN. Well, they thought they could better the business in Miami, could better the business for the distributor, for the operator. However, I would not go along with them.

Mr. Kennedy. How did they say they were going to do that?

Mr. Taran. Well, by getting better percentages, by not raiding locations of one another, and by various means they thought they could improve conditions.

Mr. KENNEDY. What was the union going to do? What did they

think the union was going to do to help them?

Mr. Taran. Well, if everybody belonged to the union, naturally there would be a lot of money saved, and a lot of locations, when they open up, everybody fights for them. They give them as much as \$1,000 and \$1,500 for a location.

Mr. Kennedy. The union was to bring stability?

Mr. TARAN. That is right.

Mr. Kennedy. And to prevent jumping from one location to another?

Mr. TARAN. Yes, that was the general thing.

Mr. Kennedy. Were you for or against the union?

Mr. TARAN. I was against it.

Mr. KENNEDY. Why?

Mr. TARAN. Well, I was against it on a general principle. I didn't want them in a coin machine business, and I didn't want any two or three people to get control of the operators in our area.

Mr. Kennedy. Did you think that this would give the control to

the so-called tough guys?

Mr. Taran. I thought it might. Senator Curtis. Mr. Chairman—— The Chairman. Senator Curtis? Senator Curtis. What union was it?

Mr. TARAN. I do not recall what union it was. I think it was mentioned, the Textile Union.

Senator Curtis. The Textile Union?

Mr. TARAN. I think so.

Senator Curtis. Who was expected to join the union?

Mr. TARAN. All of the operators.

Senator Curtis. How do you define an operator?

Mr. TARAN. An operator is a person who puts machines out on locations on a percentage basis or on a guaranty or on a rental.

Senator Curtis. Does he own the machines?

Mr. TARAN. Yes, the operator buys the machines from the distributor.

Senator Curtis. He is not an employee?

Mr. TARAN. No.

Senator Curtis. So this was not a move to organize employees into a union, was it?

Mr. TARAN. That is right.

Senator Curtis. It was using the union idea to further control the industry, wasn't it?

Mr. Taran. At least that was the way I took it.

Senator Curtis. You weren't in anybody's employ, were you?

Mr. Taran. No, sir .

Senator Curtis. Had you gone for the idea, you would have had to join the union?

Mr. TARAN. No, I wouldn't join the union because I was a distributor, not an operator. But if I did want to operate, I would have to join the union.

Senator. Curris. And you would operate if you placed machines

on locations? That would make an operator out of you?

Mr. Taran. Yes, sir. I could be a distributor and an operator. I mean there is no discrimination.

Senator Curtis. That is all.

Mr. Kennedy. Mr. Taran, as it was explained to you, this union was not being formed to help the employees?

Mr. Taran. That is right.

Mr. Kennedy. The union was being formed by the employers to give control over the industry?

Mr. Taran. Well, at least that is the way I took it.

Mr. Kennedy. They promised you that you would be able to get more locations and make more money if you went along with this idea?

Mr. Taran. Well, I understand they promised me and I understand they promised my competitors.

Mr. Kennedy. I am just asking you. They promised you that?

They told you that?

Mr. Taran. Yes.

Senator Curtis. If I may interrupt there, who promised you that? Mr. Taran. Randazzo and Karpf. In other words, they wanted me to incorporate and they would incorporate with me.

Senator Curtis. Were they distributors?

Mr. Taran. No, they were not distributors. They were the gentlemen who were forming the union.

Senator Curtis. Were they operators?

Mr. TARAN. No, they were not.

Senator Curtis. Then it is not true that the employers were forming a union, because these two men you have talked about were neither distributors nor operators.

Mr. Taran. Well, they said that they were representatives of the

employers. That is how they came to talk to me about it.

Senator Curtis. They were representatives of the union?

Mr. Taran. Yes, they were the representatives and the organizers. Mr. Kennedy. At the same time Randazzo was supposed to be

representing the associatoin, was he not?

Mr. Taran. I know that he had represented the association at one time or another. Whether it happened at that same time or not, I cannot tell you.

Mr. Kennedy. According to the testimony we had this morning, he went around as a representative of the association at the time Karpf was representing the union.

Mr. TARAN. Yes.

Mr. Kennedy. Mr. Chairman, if I could call Mr. Kaplan, we have some information on what Mr. Randazzo's official position was at that time.

The Chairman. Have you been sworn?

Mr. Kaplan. Yes, sir.

TESTIMONY OF ARTHUR G. KAPLAN—Resumed

Mr. Kennedy. Do we find that Mr. Randazzo received a license as a union organizer at the same time he was representing himself as a public relations man of the association?

Mr. Kaplan. Yes, sir; we do.

On May 21, 1955, he was issued a license as a labor representative, which licenses are required by the State of Florida if you are going to engage in any labor organizing activity.

He was issued a license to be a representative for the Miscellaneous Textile Workers, local 296, United Textile Workers of America, AFL. That automatically expired in December 1955, and was not renewed.

Senator Curtis. Did he have any credentials from the union?

Mr. Kaplan. None that we know of, sir.

Senator Curtis. Did he represent the union?

Mr. Kaplan. Yes, sir; he did.

Senator Curtis. He did represent the union?

Mr. Kaplan. Yes, sir.

Mr. Kennedy. What we know, Senator, is that, according to the testimony this morning, he went around and said that he was representing the association, and he went around with a Charlie Karpf, who has this long criminal record, who was supposedly representing the union, first the Upholsterers Union, then he got kicked out of that, and then he got a charter for the Textile Workers Union, ultimately getting involved in a controversy and he lost that.

But Randazzo, at the time he was supposedly representing the asso-

ciation, we find that he also took a license out for the union.

Senator Curtis. A license wouldn't make him a representative of the union.

Mr. Kennedy. No.

Senator Curtis. But he did represent the union?

Mr. Kennedy. The association. I don't know if he ever went around representing the union.

Mr. Kaplan. This is what we found from the many people we in-

terviewed. His representation by himself——

Senator Curus. I don't care what he represented. I want to know whether the union that he did have authority to speak for the union—did he represent the union, the local, this man?

Mr. Kaplan. We don't know that.

Mr. Kennedy. Charlie Karpf was the union, and he is going to be a witness. We can ask him.

Senator Curtis. A one-man union?

Mr. Kennedy. Practically; yes. Virtually, it was set up by the association.

Senator Curtis. Who issued the charter?

Mr. Kennedy. First they received a charter from the bedding division of the Upholsterers Union. Then, after that charter was lifted, they received a charter from the United Textile Workers to organize the coin-machine business. None of it makes any sense.

Senator Curtis. If they are issued a charter, they represent the

union.

Mr. Kennedy. But it was issued to Mr. Karpf. Mr. Karpf was set up by the association, this group of associations, and he and Mr. Randazzo went around together and told the association members that they should belong to the union, that the union would give them this protection.

The Charman. Karpf did represent the union?

Mr. Kennedy. Karpf did represent the union. Karpf was the man who got the charter.

The CHARMAN. And this man went with him?

Mr. Kennedy. That is correct.

The Chairman. They went around together and made that representation !

Mr. Kennedy. Yes.

The CHAIRMAN. Did they both come to your place together?

Mr. Taran. Sometimes they were both together and sometimes one would see me. They saw me on several occasions.

The Chairman. Were they both talking about the same thing, trying to get you to do the same thing?

Mr. Taran. Apparently so.

The Charman. Apparently so?

Mr. Taran. Yes.

The Charman. When they first came, did they come together?

Mr. Taran. I think the first time it was Mr. Randazzo by himself. The CHARMAN. He was by himself?

Mr. Taran. I think the first time he visited me it was only for the association and not the union.

The Chairman. I am talking about when they started this union

business, organizing the union. Who came to you first?

Mr. Taran. I cannot recall at this time. I am inclined to believe that he might have come by himself the first or the second time, and at some later date he brought in Mr. Karpf with him.

The CHAIRMAN. In other words, they both tried to do the same

thing?

Mr. Taran. Yes.

The CHAIRMAN. Part of the time they were together and part of the time they were not; is that right?

Mr. Taran. Correct.

Mr. Kennedy. Why didn't you want to have anything to do with

this operation, Mr. Taran!

Mr. TARAN. Well, as I said before, I felt that the distributing and the operating business should remain between the operator and the

Mr. Kennedy. Can a union do anything for the employees, in your

estimation?

Mr. Taran. I didn't think so then. Mr. Kennedy. You did not think so?

Mr. Taran. That is right.

Mr. Kennedy. Some of your employees ultimately joined the electrical workers; did they not!

Mr. Taran. Yes, sir.

Mr. Kennedy. Did you oppose that?

Mr. Taran. Well, I'don't think I opposed it.

Mr. Kennedy. Did you feel that there was a different operation between the Electrical Workers on one hand and this operation of Karpf on the other !

Mr. Taran. Yes.

Mr. Kennedy. Why?

Mr. Taran. Well, one of them—I could not stop and employ if they thought they could better themselves. First of all, I believe my company paid more than the union scale. We did have a great deal to lose. The union scale did not provide for the salaries that we were already paying. What is more, I could not stop them from joining, so I thought I might as well be a good guy and go along with it.

Mr. Kennedy. Mr. Taran, why do you feel that there are so many racketeers, or whatever you might call them, in this business?

Mr. Taran. I didn't say there are so many racketeers. I think

there are as many racketeers in every business.

Mr. Kennedy. In what other kind of businesses are there as many racketeers?

Mr. Taran. No matter what business. Any business can be made a racket of. It all depends on who is running it.

Mr. Kennedy. What kind of businesses do they get into?

Mr. TARAN. Every business, including banking business. If they want to make a racket of it, they can and they have and they have done it.

Mr. Kennedy. Do you find as many racketeers in the banking business as in the jukebox business?

Mr. Taran. Well, I have never made an examination of it.

Mr. Kennedy. But from your experience that you have had around the country, do you find that there is an equal amount?

Mr. TARAN. There is plenty of them right in the banking business

and the top business field.

Mr. Kennedy. Senator Curtis asks what you think as far as comparisons with politics are concerned.

Mr. TARAN. Well, I would rather not go into that.

Senator Curtis. I withdraw the question. He is a willing witness and I don't want to force him to decline to answer.

Mr. Kennedy. But there has been an infiltration, certainly, into certain phases of the coin-machine business, as far as the jukebox is concerned, some of the game machines, and to some extent the cigarette machines, has there not, Mr. Taran?

Mr. TARAN. Yes; I think there has been.

Mr. Kennedy. Also, haven't you found that this same element gets into the providing of paper towels and the laundry business and dry cleaning, and that kind?

Mr. TARAN. As I said before, no matter what business—

Mr. Kennedy. I am just asking you from your experience, and you have had a considerable amount of experience with all sides, some very personal experiences—

Mr. Taran. Thank you for the compliment.

Mr. Kennedy. If you haven't found that there has been an infiltration into these kind of businesses, where there is servicing involved.

Mr. Taran. Yes; I think there is.

Mr. Kennedy. You opposed the Karpf operation and ultimately it failed in 1955; is that right?

Mr. TARAN. Yes, sir.

Mr. Kennedy. Are any of your employees members of any union now?

Mr. Taran. I really cannot tell you whether they are or not.

Mr. Kennedy. Do you have a contract with any union?

Mr. Taran. No. sir.

Mr. Kennedy. That is all.

The CHAIRMAN. How many employees have you?

Mr. Taran. Approximately about 20. No, it is better than that. Including the record department, we have over 30.

The Chairman. You have over 30?

Mr. Taran. Yes, sir.

The Chairman. As I understand, you believe that what Karpf and Randazzo were trying to do was simply to muscle in and exploit a situation; is that correct?

Mr. Taran. Well, I don't want to say that they wanted to muscle

I just didn't approve of the method.

The Chairman. Well, there was something about the method you didn't approve of. What was it?

Mr. TARAN. I just didn't want the control of the coin-machine business to go out of the hands of the distributor and the operator.

The Chairman. You knew that is what they were undertaking to do, to get control of it. That is what you thought?

Mr. Taran. That is my opinion.

The CHAIRMAN. That is what you were afraid of?

Mr. TARAN. Yes.

The CHAIRMAN. You didn't send for them; did you?

Mr. Taran. No. sir.

The CHAIRMAN. They came there to muscle in on you; isn't that correct?

Mr. TARAN. Well, they didn't threaten me.

The Chairman. I didn't say they threatened you. But they came there to try to take over that business, the control of it. That is what they were after, according to your judgment?

Mr. TARAN. That was all of our distributors' opinion. The CHAIRMAN. That was the opinion of all of you?

Mr. Taran. Of all of them.

The Chairman. They hadn't been sent for but just came voluntarily and told you they wanted to take over in that fashion. is what it amounted to; isn't it?

Mr. TARAN. Yes, sir.

The Chairman. Is there anything further?
Mr. Kennedy. Have you any interest in the Jet Amusement Co.!

Mr. Taran. No, sir.

Mr. Kennedy. You haven't had an interest, either?

Mr. TARAN. No, sir.

Mr. Kennedy. I have nothing further.

The CHAIRMAN. Thank you.

Call the next witness.

Mr. Kennedy. Joseph Indellicato.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Indellicato, I do.

TESTIMONY OF JOSEPH INDELLICATO

The Chairman. State your name, your place of residence, and your business or occupation, please.

Mr. Indellicato. My name is Joseph Indellicato. I reside at 330

85th Street, Miami Beach, Fla.

The Chairman. What is your business?

Mr. Indellicato. Unemployed.

The CHAIRMAN. Did you ever have a business?

Mr. Indellicato. Yes. I just got out of the transportation business.

The Chairman. You have been in the transportation business?

Mr. Indellicato. Yes, sir.

The Charman. You waive counsel, do you?

Mr. Indellicato. Yes, sir.

The Chairman. Proceed, Mr. Kennedy.

Mr. Kennedy. What phase of the transportation business were you in?

Mr. Indellicato. I was running refrigerated trucks.

Mr. Kennedy. For how long a period of time?

Mr. Indellicato. Two years.

Mr. Kennedy. What was the name of the company? Mr. Indellicato. Sunshine State Transports, Inc.

Mr. Kennedy. Sunshine State Transports, Inc.?

Mr. Indellicato. Yes.

Mr. Kennedy. Was that located in Miami?

Mr. Indellicato. Yes, sir.

Mr. Kennedy. How many trucks did you have?

Mr. Indellicato, Four.

Mr. Kennedy. Were your drivers members of the Teamsters Union?

Mr. Indellicato. No, sir.

Mr. Kennedy. Was there ever any attempt to organize them?

Mr. Indellicato. I guess so.

Mr. Kennedy. That was not successful?

Mr. Indellicate. Well, they go on the road, and it is hard to organize that kind of a driver.

Mr. Kennedy. Over the road?

Mr. Indellicato. Yes, sir.

Mr. Kennedy. What business were you in prior to that ?

Mr. Indellicato. Salesman. Mr. Kennedy. For whom?

Mr. Indellicato. Falcone & Sons.

Mr. Kennedy. Falcone & Sons?

Mr. Indellicato. Yes, sir.

Mr. Kennedy. What do they do?

Mr. Indellicato. Retail and wholesale grocers, Italian products, mostly.

Mr. Kennedy. In the Miami area?

Mr. Indellicato. Yes, sir.

Mr. Kennedy. Are they related to the Falcones in Utica?

Mr. Indellicato. Yes, sir.

Mr. Kennedy. Is that Joseph Falcone?

Mr. Indellicato. Salvatore.

Mr. Kennedy. How long were you with him?

Mr. Indellicato. About 3 or 4 years.

Mr. Kennedy. Is that company still operating in Miami?

Mr. Indellicato. Yes, sir.

Mr. Kennedy. Salvatore attended the meeting at Apalachin, did heaot?

Mr. Indellicato. I don't know, sir.

Mr. Kennedy. Joseph, I guess. Joseph is a brother?

Mr. Indellicato. Well, he has a brother Joseph and a son Joseph.

Mr. Kennedy. And you were a salesman for that company?

Mr. Indellicato. Yes, sir.

Mr. Kennedy. And prior to that time, what did you do!

Mr. Indellicato. I worked for a ship scaling and painting company in New York.

Mr. Kennedy. What was the name of it?

Mr. Indellicato. National Ship Scaling & Painting Co.

Mr. Kennedy. What did you do for them!

Mr. Indellicato. Timekeeper.

Mr. Kennedy. How long did you work for them?

Mr. Indellicato. A couple of years.

Mr. Kennedy. Were you a member of a union then?

Mr. Indellicato. No. sir.

Mr. Kennedy. What union did they have a contract with?

Mr. Indellicato. I have no idea, sir.

Mr. Kennedy. Was there any union in the Falcone business!

Mr. Indellicato. Not to my knowledge.

Mr. Kennedy. Are you related to the Falcones?

Mr. Indellicato, No. sir. Mr. Kennedy, Not at all!

Mr. Indellicato. Well, our parents come from the same part of the country.

Mr. Kennedy. Have you known them a long time?

Mr. Indellicato. Yes, sir.

Mr. Kennedy. Have you ever had any interest in any coin machine business!

Mr. Indellicato. No, sir.

Mr. Kennedy. Do you know Mr. Karpf?

Mr. Indellicato. Yes, sir.

Mr. Kennedy. How long have you known him?

Mr. Indellicato. A short while.

Mr. Kennedy. How long?

Mr. Indellicato. Not too long. A couple of years, I would say.

Mr. Kennedy. Did he relate to you what he was doing in connection with the coin machine business in Miami?

Mr. Indellicato. No, sir.

Mr. Kennedy. He never discussed that with you?

Mr. Indellicato. No, sir.

Mr. Kennedy. Did you ever help or assist him in any way?

Mr. Indellicato. No. sir.

Mr. Kennedy. Did you know that he was connected with any union?

Mr. Indellicato. Yes, I read about it.

Mr. Kennedy. But other than reading about it, you didn't know about it?

Mr. Indellicato. No, sir.

Mr. Kennedy. Did you know Mr. Randazzo?

Mr. Indellicato. Yes, sir.

Mr. Kennedy. Have you associated with him in any way?

Mr. Indellicato. No, sir.

Mr. Kennedy. Did you attend this meeting of the operators in Miami in 1955?

Mr. INDELLICATO. I respectfully decline to answer on the ground that it may intimidate me—incriminate me.

Mr. Kennedy. We were doing so well, Mr. Scootch.

The Chairman. What is you real name?

Mr. Indellicato. Indellicato.

The CHAIRMAN. I see something here about Joe Scootch. Does that refer to you?

Mr. Indellicato. Yes, sir.

The CHAIRMAN. Is that your alias?

Mr. Indellicato. I guess so.

The CHAIRMAN. How did you get that name?

Mr. Indellicato. I have no idea.

Mr. Kennedy. Have you had it all your life?

Mr. Indellicato. Since childhood.

Mr. Kennedy. You have no idea where Scootch came from?

Mr. Indellicato. No, sir.

Mr. Kennedy. Do you use Scootch? Mr. Indellicato. I use my proper name.

The CHAIRMAN. What was that you thought might tend to incriminate you?

Mr. Indellicato. That is right, sir.

The CHAIRMAN. I said what was it. I didn't understand you.

Mr. Indellicato. About attending a certain meeting. I don't know.

The CHAIRMAN. About who?

Mr. Indellicato. Attending a certain meeting.

The CHAIRMAN. Whether you attended a certain meeting?

Mr. Indellicato. Yes.

The CHAIRMAN. Which meeting was that? Mr. Indellicato. I don't know what meeting.

The CHAIRMAN. I didn't understand you.

Mr. Indellicato. He mentioned a meeting. The CHAIRMAN. Do you remember which one it was?

Mr. Indellicato. No, sir.
The Chairman. You don't know which one he mentioned?

Mr. Indellicato. No, sir.

The CHAIRMAN. Mr. Counsel, maybe he would answer if he knew which meeting you were talking about. He says he didn't understand which meeting you were talking about. Ask him.

Mr. Kennedy. The meeting that occurred in 1955 of the operators

in the Miami area. Did you attend that meeting?

Mr. Indellicato. I respectfully decline to answer on the grounds that it may incriminate me.

The CHAIRMAN. Now you know which meeting he was talking

about, do you?

Mr. Indellicato. Yes, sir.

Mr. Kennedy. Could you tell us if you had anything at all to do with the coin machine business?

Mr. Indelizato. Absolutely nothing, sir.

Mr. Kennedy. Did you ever have any conversation with anybody in connection with the coin machine business?

Mr. Indellicato. Not to my knowledge.

Mr. Kennedy. Well, did you ever attend a meeting where the coin machine business was discussed, where you participated?

Mr. Indellicato. I respectfully decline to answer on the ground

that it may incriminate me.

Mr. Kennedy. You have me there. I don't understand. You have never been involved in the coin machine business at all and when I ask if you attended a meeting in connection with it, you take the fifth amendment.

Would you explain that?

Mr. Indellicato. I respectfully decline to answer on the grounds

that it may incriminate me.

The CHAIRMAN. You mean an explanation might tend to incriminate you? Is that what you are saying?

Mr. Indellicato. That is what I am saying, sir.

The Chairman. I didn't understand you.

Mr. Indellicato. I respectfully decline to answer on the ground that it may incriminate me.

The CHAIRMAN. All right. Proceed.

Mr. Kennedy. Would you tell the committee what led up to your going to that meeting?

Mr. Indellicato. I respectfully decline to answer on the ground

that it may incriminate me.

Mr. Kennedy. Did Mr. Randazzo ever ask you to come to any meeting?

Mr. Indellicato. I respectfully decline to answer on the ground

it may incriminate me.

Mr. Kennedy. Did Mr. Karpf ever ask you to come to any meeting?

Mr. Indellicato. I respectfully decline to answer on the ground that it may incriminate me.

Mr. Kennedy. Do you know Mr. Taran?

Mr. Indellicato. I respectfully decline to answer on the ground that it may incriminate me.

The CHAIRMAN. Are you mixed up with that bunch of thugs?

Mr. Indellicato. I respectfully decline to answer on the ground that it may incriminate me.

Senator Curtis. Did you ever represent any labor organization? Mr. Indellicato. I respectfully decline to answer on the ground that it may incriminate me.

Senator Curtis. Did you ever receive any income from a labor

union?

Mr. Indellicato. I respectfully decline to answer on the ground that it may incriminate me.

Senator Curtis. Were you ever an officer in a labor union?

Mr. Indellicato. I respectfully decline to answer on the ground

that it may incriminate me.

Mr. Kennedy. Mr. Indellicato, the information that we have had this morning is that you attended a meeting and it was explained that you were to be the go-between, the one that was going to straighten out the difficulties. Is that correct?

Mr. Indellicato. I respectfully decline to answer on the ground

that it may incriminate me.

Mr. Kennedy. Do you know Trigger Mike Coppola?

Mr. Indellicato. I respectfully decline to answer on the grounds

that it may incriminate me.

Mr. Kennedy. According to our information, you are reported to be an associate of his, and an associate of Charlie "The Blade" White; is that correct?

Mr. Indellicato. I respectfully decline to answer on the ground that it may incriminate me.

Mr. Kennedy. John "Peanuts" Tronolone?

Mr. Indellicato. I respectfully decline to answer on the grounds that it may incriminate me.

Mr. Kennedy. How do you pronounce his name? Can you tell me that? How do you pronounce his name?

Mr. Indellicato. Whose name?

Mr. Kennedy. Tronolone.

Mr. Indellicato. I don't know.

Mr. Kennedy. Do you know him?

Mr. Indellicato. I respectfully decline to answer on the ground

that it may incriminate me.

Mr. Kennedy. Joseph and Sam DeCarlo, we also understand you to be an associate of theirs, and Joe Massei and Joe Mangone; is that correct?

Mr. Indellicato, I respectfully decline to answer on the ground that

it may incriminate me.

Mr. Kennedy. Did you ever have anything to do with the Paper Doll Night Club in Miami Beach?

Mr. Indellicato. I respectfully decline to answer on the ground that

it may incriminate me.

Mr. Kennedy. And in the Restaurant of Palange at Sunny Isles, Fla.?

Mr. Indellicato. I respectfully decline to answer on the ground that it may incriminate me.

Mr. Kennedy. The Sunshine State Transportation Co.?

Mr. Indellicato. The what, sir!

Mr. Kennedy. Did you ever have any interest in the Sunshine State Transportation Co.?

Mr. Indellicato, Yes, sir.

Mr. Kennedy. Is that the one that you mentioned earlier?

Mr. Indellicato. Yes, sir.

Mr. Kennedy. You owned that one?

Mr. Indellicato. Yes.

Mr. Kennedy. What about Doc's Bar? Did you ever have an interest in that?

Mr. Indellicato. I respectfully decline to answer on the ground that it may incriminate me.

The CHAIRMAN. Is the Sunshine State the only one that was an

honest business? Is that why you can't answer?

Mr. Indellicato. I respectfully decline to answer on the ground that

it may incriminate me.

The Chairman. Well, was the Sunshine State an honest business? Mr. Indellicato. I respectfully decline to answer on the ground that it may incriminate me.

The Charman. We thought, from the way you were testifying, that maybe you had been in a legitimate business at one time in your life. Have you ever?

Mr. Indellicato. I respectfully decline to answer on the ground that

it may incriminate me.

The Chairman. All right. Proceed, Mr. Kennedy.

Mr. Kennedy. Do you know Ruth Brougher?

Mr. Indellicato. I respectfully decline to answer on the ground that it may incriminate me.

Mr. Kennedy. Do you know Barney Baker?

Mr. Indellicato. I respectfully decline to answer on the ground that

it may incriminate me.

Mr. Kennedy. Ruth Brougher has told us that you and Charley Karpf and Barney Baker shook somebody down in the Miami area, and that she was present when you split up the money, and that at that time you received \$2,500 of the money that you had shaken down, the money you received from this employer. Could you tell us if that testimony is correct?

Mr. Indellicato. I respectfully decline to answer on the ground

that it may incriminate me.

Mr. Kennedy. You have been arrested how many times?

Mr. Indellicato. Two or three times.

Mr. Kennedy. How many convictions do you have?

Mr. Indellicato. One.

Mr. Kennedy. You were an incorrigible child. Then later on you were a delinquent child. Then in 1932, you were convicted of assault and robbery and received a sentence of 10 to 20 years. Is that the one that you had in mind?

Mr. Indellicato. Yes, sir.

Senator Curtis. Did you ever work for the Teamsters Union? Mr. Indellicato. I respectfully decline to answer on the ground that it may incriminate me.

Senator Curtis. Do you recognize these names that have been mentioned, such as Barney Baker, as being of the Teamsters Union?

Mr. Indellicato. I respectfully decline to answer on the ground that it may incriminate me.

Senator Curtis. Did you ever make any money out of any type of

labor-management relations?

Mr. Indellicato. I respectfully decline to answer on the ground that it may incriminate me.

Senator Curtis. If you did make any money in such manner, did

you report it in your income tax!

Mr. Indellicato. I respectfully decline to answer on the ground that it may incriminate me.

Senator Curtis. That is all.

Mr. Kennedy. Did you ever hear of the Lorrain Co. in Miami?

Mr. Indellicato. I respectfully decline to answer on the ground that it may incriminate me.

Mr. Kennedy. Do you know anything about the Georgia Broilers of Florida, Inc.?

Mr. Indellicato. I respectfully decline to answer on the ground

that it may incriminate me.

Mr. Kennedy. Did you suggest to the representatives of the Teamsters Union and the Butchers Union, which were making a joint organizing drive in the winter of 1956, that they leave the Georgia Broilers of Florida alone and not try to organize them?

Mr. Indellicato. I respectfully decline to answer on the ground

that it may incriminate me.

Mr. Kennedy. Would you tell us what money you received for that?

Mr. Indellicato. I respectfully decline to answer on the ground that it may incriminate me.

Mr. Kennedy. Could you tell us what your income has been over

the period of the last 3 or 4 years?

Mr. Indellicato. I respectfully decline to answer on the ground

that it may incriminate me.

Mr. Kennedy. Would you tell us if you received, since 1955—1956 and 1957-if you received any money, if you have had any income other than dividends?

Mr. Indellicato. I respectfully decline to answer on the ground

that it may incriminate me.

Mr. Kennedy. Isn't it correct that you have not reported income over \$2,500 in any 1 of those 4 years?

Mr. Indellicato. I respectfully decline to answer on the ground

that it may incriminate me.

Mr. Kennedy. And that would be for 1954, 1955, 1956, and 1957. In 1954 you worked for the Fabulous Homes, Inc., Coral Gables, is that right, and you had an interest also in a company called the Swing & Putt Co. of Miami, Fla.?

Mr. Indellicato. I respectfully decline to answer on the ground

that it may incriminate me.

Mr. Kennedy. And except for 1954, where you had evidently some means of income, all the rest of your income for the remaining 3 years has all come from the sale of stock, all of which amounts to a total amount of money that you received in any 1 of those 4 years, the most that you received, to some \$2,500?

Mr. Indellicato. I respectfully decline to answer on the ground

that it may incriminate me.

Mr. Kennedy. How have you been able to live in Miami, Fla., for instance in 1957, on about \$1,200? Can you tell us how you have been able to do that?

Mr. Indellicato. I respectfully decline to answer on the ground

that it may incriminate me.

The CHAIRMAN. You would be giving away a trade secret, do you think?

Well, all right.

Stand aside.

Call the next witness.

Mr. Kennedy, Mr. Frechette.

The Chairman. Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Frechette, I do.

TESTIMONY OF DAVID FRECHETTE, ACCOMPANIED BY COUNSEL, H. CLIFFORD ALLDER

The Chairman. State your name, your place of residence, and your business or occupation.

Mr. Frechette. My name is David Frechette. I live at 1835 Northwest 185th Terrace, Miami 60, Fla.

The Charman. Have you a business or occupation?

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The Chairman. Would you say your business or occupation is

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

The Chairman. You couldn't state that under oath, that your business is legitimate without possible self-incrimination?

Mr. Frechette. 1 respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The Charman. Counsel, identify yourself for the record. Mr. Allder, H. Clifford Allder, Washington, D. C.

The Charman. Proceed, Mr. Kennedy. Mr. Kennedy. Mr. Frechette, you are secretary and business representative of Local 290 of the International Brotherhood of Teamsters?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. And that is the local that was chartered in March of 1956 to cover Teamster members in the building and construction, alcoholic and carbonated beverage, and processing and distribution businesses; is that right?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. And the local covers the territory from Key West north to Fort Pierce; is that right?

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

Mr. Kennedy. Could you tell us how many members that local has?

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

Mr. Kennedy. This local covers the coin machine operation in the

Mr. Frechette. I respect——

Mr. Kennedy. And this was an operation, according to the testimony that we had this morning, the jurisdiction or area that had been covered originally by the Upholsterers Union, the Electrical Workers Union, the United Textile Workers, and now the Teamsters are in it; is that correct?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. Could you tell the committee how many employees of the coin machine business you have in your local?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. According to what I understood, the public statement that you have made lately, it is that you only have some 12, 15, or less than 20 people in the coin machine business that are actually in your local. Is that statement correct?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. At the Teamsters Building in Miami, where you have your office, there are vending machines, are there not?

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

Mr. Kennedy. And these machines are all—they all have stamps

on them, do they not, Teamsters labels?

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

Mr. Kennedy. And they are owned by one of Miami's largest

operators, Sam Marino; isn't that correct?

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

Mr. Kennedy. And he has an interest in the S & M Music, H & S

Music Co., and the Jet Music Co.; is that right?

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

Mr. Kennedy. He does not have any contract with the Teamsters

Union, does he?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. Would you tell the committee how he has been able to get stamps and labels for his machines in the Teamsters headquarters if he does not have a contract with the Teamsters Union?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. He was brought into the business in 1946 by his uncle, James Passanante, who had formerly been a partner of Angelo Meli; is that right?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. His machines are also located at the Miami Airport and these, too, have Teamsters labels affixed to them. Can you explain that to us?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. I understand that he states that he received those labels from the association. Could you tell us what your relationship is with the association that they can pass out union labels?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. Do you know anything about the Continental Industries, which belongs to Mr. Harold Roth in the Miami area?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. A number of Teamsters labels were found on the jukeboxes of Walter Zarzyski. Could you tell us about that?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. And he operates some 28 jukeboxes. He has told us that he got his Teamsters stickers from the association when he paid his dues of 35 cents per month per machine. Can you explain that to us?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. You originally came down from New York, Mr. Frechette?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. Weren't there a considerable amount of complaints at that time by other unions in the Miami area of the fact that you were encroaching on their jurisdiction when you made sweetheart contracts with employers?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

The CHARMAN. Did you live in New York for a while, or work there!

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

The CHARMAN. Have you ever lived anywhere or done anything elecent that you can talk about?

(The witness conferred with his counsel.)

The Chairman. That is a question.

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The CHARMAN. Is there anything else?

Mr. Kennedy. Here is a letter of September 14, 1956, to Mr. Frank Bonadio, secretary-treasurer of the building and construction trades department, AFL-CIO, dated September 14, signed by Dennis Murphy, secretary-treasurer of the Miami Building and Construction Trades Council. It says:

We are again protesting to you at this time the signing of sweetheart agreements by Mr. Frechette, covering work historically and traditionally performed by members of the Building Trades Craft Council, especially insofar as he is signing long-term agreements for ridiculous wage scales with employers who apparently are very willing and happy to sign such contracts.

One pregnant feature of all of these contracts seems to be the checkoff of

dues and other payments to Mr. Frechette's union.

Can you tell us anything about that?

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

Mr. Kennedy. Then another letter of April 18, 1956, in which one

of the paragraphs states:

Inasmuch as these raiding tactics of local union No. 290, their "sweetheart" agreements which are being offered to certain unscrupulous employers are adversely affecting many of the legitimate crafts which comprise the Miami Building and Construction Trades Council, we are appealing to you to help rectify the situation at the international level.

That letter is also to Mr. Frank Bonadio from Dennis Murphy,

secretary-treasurer.

The Chairman. Mr. Frechette, I present to you a photostatic copy of the letter referred to by counsel, dated September 14, 1958, addressed to Mr. Frank Bonadio. It appears to be signed by Dennis Murphy.

I will ask you to examine it and state if you recognize the letter or

if you can identify it.

(The document was handed to the witness.) (The witness conferred with his counsel.)

The Chairman. Have you examined the letter?

Mr. Frechette. Yes, I have.

The CHAIRMAN. Do you identify it?

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The CHAIRMAN. Let this letter be made exhibit No. 70.

(Letter referred to was marked "Exhibit No. 70" for reference and may be found in the files of the select committee.)

The Chairman. Now I hand you a second letter, dated April 18, 1956, address to the same man, from Dennis Murphy, apparently.

I ask you to examine that photostatic copy and see if you identify it.

(The document was handed to the witness.) (The witness conferred with his counsel.)

The CHAIRMAN. Have you examined the letter?

Mr. Frechette. Yes, I have.

The CHAIRMAN. Do you identify it?

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

(At this point Senator Church entered the hearing room.)

The CHAIRMAN. That may be made exhibit No. 70-A.

(Letter referred to was marked "Exhibit No. 70-A" for reference and may be found in the files of the Select Committee.)

The CHAIRMAN. Proceed.

Mr. Kennedy. In connection with these letters in your general organizing procedure, would you tell us anything about that, Mr. Frechette?

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

Mr. Kennedy. What kind of system do you generally use in an

attempt to organize the employers?

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

Mr. Kennedy. Rather than to go to the employees, do you go to

the employers and attempt to organize?

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

Mr. Kennedy. What other tactics do you use, Mr. Frechette, other

than that?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

The Chairman. You have been asked several questions about your local organization, your union. It is a very serious reflection, I think, on any organization or group who are in an association or organization together to carry on some presumably legitimate purpose and objectives where we find among their officers those who say they cannot say anything about it, talk about it, or answer questions about it, without possible self-incrimination.

Are you stating here or do you mean to state that there is something so bad about this union, local 290, or the International with which it is affiliated, that you just cannot be identified with it, or comment about its activities or its program or its work or anything, without possibly reflecting on yourself and incriminating yourself?

Do you mean to leave that impression and give that statement out

here to the public? Is that what you are doing?

Now you have two questions, and maybe three. What is your

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

The Charman. Let me ask you this, then: Is there anything, anything at all, about local 290 that is honest, that is decent, or at all respectable with regard to its officers, including you, that you can talk about without possible self-incrimination; anything at all?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer may tend to incriminate me.

The Chairman. I think that when some of you labor leaders and labor officials that come up here in public and in response to a command from your Government to give the information that it may need legislation, take the position that you cannot talk whether you are honest about it or not without possible self-incrimination, that is the greatest insult to the decent working people in America who belong to unions that could possibly be thrown at them.

I think if they have any self-respect they will certainly feel that people like you who take this position are about the sorriest crumbs with which humanity was ever infested. Do you want to make any

comment on that?

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. Kennedy. Mr. Chairman, I have a letter here that I would

like to have the witness identify.

The Chairman. I present to you a letter addressed to Mr. James R. Hoffa, dated March 18, 1958, apparently a letter from you to Mr. Hoffa.

I will ask you to examine it and state if you can identify it as a letter you wrote to Mr. Hoffa on that date.

(The document was handed to the witness.) (The witness conferred with his counsel.)

The CHAIRMAN. Have you examined the letter? Mr. Frechette. I have.

The Chairman. Do you recognize it?

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer may tend to incriminate me.

The CHAIRMAN. Do you want to deny that you wrote this letter? Mr. Frechette. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The CHAIRMAN. This letter may be made exhibit No. 71.

(Letter referred to was marked exhibit No. 71 for reference and may be found in the files of the Select Committee.)

The Chairman. You may proceed to interrogate the witness. Mr. Kennedy: This is a letter dated March 18, 1958, to James R. Hoffa, general president, International Brotherhood of Teamsters,

Chauffeurs, Warehousemen and Helpers of America, 25 Louisiana Avenue NW., Washington, D.C., and is signed by Dave Frechette, local 290.

DEAR JIMMY: Enclosed please find story from the Miami Herald of this date covering job action discussed with you by phone this morning.

Support from the Building Trades Crafts has been heartwarming on this proposition especially from the Laborers, with whom we are on very close

terms here and with whom we and the Operating Engineers are now engaged in a joint organizational drive on the concrete and concrete products industry in south Florida.

We are really going hot and heavy after Acme Concrete, with all three locals pulling out all the stops to get him in the fold. They are a pretty rough nui and are the second largest outfit in the industry, next to Maule. But we are pretty confident we can get them, and, if they go, the entire Concrete and Block Association will go, as the rest won't have much choice when the two largest are union, what with the support we can now muster among the other trades.

It's a no-holds-barred war; Acme is using all the tricks in the book to combat

Then he goes on for several paragraphs to state the difficulties they are having. This is the part I am particularly interested in.

As I've outlined above, we're in a fight to the finish on this one since it can make or break us in this part of the South and we intend to use every tactic at our disposal. Bernie Rubin, the head of the three Laborers locals here, has a gimmick he has used successfully in the past when he gets into a knockdown drag-out battle with a contract where FIIA or VA financing is involved. He employs the segregationist feeling here concerning the Negro and makes it back-

fire into their laps.

On a Sunday, when the developer has his model homes on display to the public and when he makes his sales, he floods the models with a few hundred colored laborers and their families, who parade through the models and many express an interest in purchasing a home in the project with a few actually making application. In the light of this segregation thing here, this ruins the sales for the day. Then he delivers a crowning blow by having one family show up with a certified check for the full purchase price, with Rubin's attorney in tow, and the colored man asks to buy a house. Of course, the man signs thencessary legal papers so that the money is not actually his, but belongs to the local.

If the sales agent refuses to sell him a house or hedges around about it, a formal complaint is immediately registered with the FHA and VA who, as you know, whenever any Federal money or guarantees are involved, can brook no discrimination. This usually ends it, as the builder gets shook up about having his mortgage financing fouled up.

Rubin says this should be our ace in the hole on this Heftler situation, as he's selling his houses twice as fast as he can build them because he has a terrific financing deal out of the FHA under title 216 which provides up to a 40-year mortgage and allows a family to get into the house with \$400 down

total.

This title 216 is some kind of cooperative mortgaging arrangement. If it's fouled up, or he thinks it's going to be fouled up, he's dead. Rubin's willing to supply the necessary people for this deal, but he thinks the money should be put up by the Teamsters for this go-round, since it is a joint venture.

It will take \$15,000 to buy one of these homes. Actually, there never will be a purchase made and the money is never out of the control of the local. But, as you well know, my local doesn't have the money to even put up in the form of a certified check. If you can see your way clear to having it put up, I think we can be assured of a winner down here. I wouldn't want to handle the money myself, but would suggest that Ben Cohen, the attorney here, handle it as your personal representative.

 Λ nd then he goes on.

The Chairman. Have you any comment?

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer may tend to incriminate me.

Senator Curris. Did Mr. Hoffa make reply to your letter?

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer might tend to meriminate me.

Senator Curris. How would a letter written by Jimmy Hoffa in-

criminate you?

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer may tend to incriminate me.

Senator Curtis. Do you know Jimmy Hoffa?

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

Senator Curris. Do you know any of the other International offi-

cers in the Teamsters Union?

(The witness conferred with his counsel.)

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer may tend to incriminate me.

Senator Curtis. Have you worked for any other union besides the

Teamsters!

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer may tend to incriminate me.

Senator Cutrcu. Mr. Chairman.

The Charman. Senator Church!

Senator Church. Did the Teamsters put up this \$15,000?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer may tend to incriminate me.

Senator Church. Do you go ahead with your plan and place this money in the hands of a colored citizen who posed as the purchaser of one of these houses?

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

(At this point Senator Kennedy entered the hearing room.)

Senator Church, Wouldn't you regard the proposal that is set forth in your letter as a trafficking in public prejudice?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Senator Church. Don't you think that this is a brazen case of exploiting the colored man?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer may tend to incriminate me.

(At this point Senator Curtis left the hearing room.)

Senator Church, Mr. Chairman, in the course of the past few months we have had much evidence of the fact that the Teamsters Union is willing to employ any means to accomplish its ends, and in its conquests we have seen extortion used, we have seen violence resorted to, we have seen embezzlement. But I believe that this is as outrageous an abuse as any that has come to the committee's attention because here is a conspiracy to capitalize upon deepseated public feeling in the very tender and important area of race relations.

More than that, here is a flagrant instance of intentional exploitation of colored people to create bad feeling in the community in order to break the resistance so that the Teamsters can accomplish another

conquest.

I think this is a disgraceful display of immorality of the worst sort, and is as shocking an instance of Teamster abuse as has come to

the attention of this committee.

I will ask the witness one other question. This letter has been read to you, this proposal has been set out. Do you deny that the letter is yours! Do you deny that the proposal was one that you made to Mr. Hoffa?

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer may tend to incriminate me.

Senator Church. That is all, Mr. Chairman. The Chairman. May I ask you this question.

I share what you have said, Senator Church, so it prompts a question I am about to ask.

Are there any depths so low to which you and other officers of the Teamsters Union will not stoop to carry out your nefarious acts?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

The CHAIRMAN. I don't believe there are. I have not found them in the course of these investigations. I said the other day and I say it again, that there is every justification for every decent member of the Teamsters Union in this country to start a rebellion against the present rotten, contemptible leadership of the Teamsters Union in this country.

Proceed, Mr. Kennedy.

Mr. Kennedy. Mr. Frechette, what is the idea of rounding up these colored people then, that you would pay them some money to come through on a Sunday afternoon and walk through the housing development?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer may tend to incriminate me.

Mr. Kennedy. Then your reference after that is that the man buys the house but that is all a fake. Of course, the man signs the necessary legal papers so that the money is not actually his, but belongs to the local.

Can you explain that to the committee?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer may tend to incriminate me.

Mr. Kennedy. Do you have any feeling toward the people of the colored race at all that you would follow this procedure, Mr. Frechette?

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer may tend to incriminate me.

Senator Kennedy. Mr. Chairman. The Chairman. Senator Kennedy?

Senator Kennedy. Mr. Frechette, are there Negroes in the Teamsters locals in the Miami area?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer may tend to incriminate me.

Senator Kennedy. It states that the people who came to the housing project were members of the Laborers Union and were Negroes. You refuse to give this committee any information as to whether there are Negroes in the Teamsters local in this area?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer may tend to incriminate me.

Senator Kennedy. Would you tell us whether this has ever been done before?

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer may tend to incriminate me.

Senator Kennedy. Did Mr. Hoffa send you the money?

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer may tend to incriminate me.

Senator Kennedy. In other words, you do not defend this action?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer may tend to incriminate me.

Mr. Kennedy. What it amounts to is not only taking advantage of the segregationist feeling, but it is a question of the exploitation of the Negro, is it not? It is a flagrant example of that, Mr. Frechette.

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer may tend to incriminate me.

Senator Kennedy. Mr. Frechette, Mr. Hoffa goes around the country talking a good deal about what he does for the working men and women of this country. Did he react to your suggestion and refuse it and express outrage that you would even consider it or did he send you the money?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer may tend to incriminate me.

Senator Kennedy. Isn't it a fact that he did send you the money? Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer may tend to incriminate me.

Senator Kennedy. Mr. Hoffa has been quoted before in regard to the violence in Tennessee as saying that "these hillbillies need kicking around," in regard to the goon squad, Mr. Smith and others who committed acts of violence numbering into several hundreds without having any penalties.

Now it seems to me by the fact that he supported you in this effort, it indicates what his regard is as to the white and colored people of this particular area, that he would exploit racial feeling in order to

permit you to put pressure on a company.

The CHAIRMAN. Is there anything further?

Mr. Kennedy. Mr. Chairman, I would like to call Mr. Bellino and Mr. Sheridan in respect to the accounts.

The CHAIRMAN. The committee will stand in recess for 15 minutes. (A short recess was taken, with the following members of the select committee present: Senators McClellan, Kennedy and Church.)

(Members of the select committee present at the expiration of the

recess: Senators McClellan and Church.)

The CHAIRMAN. The committee will come to order.

Mr. Kennedy. May I call Mr. Sheridan?

The Chairman. Mr. Sheridan, have you been sworn?

Mr. Sheridan. Not in this hearing.

The Charman. Do you solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Sheridan. I do.

TESTIMONY OF WALTER J. SHERIDAN

The CHAIRMAN. Are you a member of the staff of the committee? Mr. Sheridan. Yes, I am, Senator.

The CHAIRMAN. How long have you so been?

Mr. Sheridan. Two years. The Chairman. Proceed.

Mr. Kennedy. Mr. Sheridan, you or someone under your direction and control, associated with you, has made an investigation into some

of the correspondence between Mr. Hoffa and Mr. Frechette in connection with this matter that we have discussed this afternoon?

Mr. Sheridan. Yes, sir.

Mr. Kennedy. Have we found that the letter we have been discussing this afternoon was missing from the union files?

Mr. Sheridan. Yes, sir; we did. We found that the letter by Mr.

Frechette was missing from the Teamsters International files.

Mr. Kennery. Did we find that subsequently there were some financial transactions with Mr. Frechette and with Mr. Cohen, who is discussed in the letter?

Mr. Sheridan. Yes, we did. Mr. Kennedy. Would you relate to the committee what we found in connection with that, or what documents and letters are available? This letter to Mr. Hoffa is dated March 18, 1958.

Mr. Sheridan. Following that letter, on April 24, 1958, there was a letter from Ben Cohen to Mr. Hoffa, in which Mr. Cohen says that:

Pursuant to your letter regarding my fee of \$15,000 in the above matter, I am enclosing a list of some things that were done in connection with the successful handling of this case.

Mr. Kennedy. In the letter of March 18, 1958, from Mr. Frechette, Mr. Frechette says in the second to the last paragraph:

If you can see your way clear to having it put up.

and \$15,000 is being discussed

I think we can be assured of a winner down here. I wouldn't want to handle the money myself, but would suggest that Ben Cohen, the attorney here, handle it as your personal representative.

Is that right?

Mr. Sheridan. Yes, sir. Mr. Kennedy. The next piece of correspondence we find is a letter from Ben Cohen?

Mr. Sheridan. Yes, sir.

Mr. Kennedy, Ben Cohen in that letter refers to a letter he received from Jimmy Hoffa?

Mr. Sheridan. That is correct.

Mr. Kennedy. And that letter is also missing from the International Brotherhood of Teamsters' files?

Mr. Sheridan. Yes.

The Charman. Does it appear that the files of the International Teamsters have been stripped of this correspondence?

Mr. Sheridan. Well, the letters should be there, Senator, but they

are not there.

The Chairman. You were unable to find the letters there?

Mr. Sheridan. That is correct.

Mr. Kennedy. He mentions the \$15,000. Then how is it handled at that time!

Mr. Sheridan. On the side of the letter there is a notation of \$10,000, indicating that the sum was reduced from \$15,000 to \$10,000, and on the top of the letter is "OK, J. R. Hoffa." Following that, there is a transmittal of \$10,000 to Mr. Cohen.

Mr. Kennedy. A transmittal of \$10,000 to Mr. Cohen?

Mr. Sheridan. To Mr. Cohen.

Mr. Kennedy. On what date!

Mr. Sherdan. That is by letter dated May 16, 1958, from John F. English, to Ben Cohen.

Mr. Kennedy. What about the \$5,000, the next \$5,000?

Mr. Sheridan. By check dated April 30, 1958, in the amount of \$5,000, made out to local 290 of the Teamsters local union in Miami, Fla. This money is forwarded to Mr. Frechette in Miami in connection with a request from him for \$5,000 for organizational expenses.

Mr. Kennedy. So altogether there was \$15,000 forwarded, \$10,000

to the attorney and \$5,000 to the union?

Mr. Sheridan. That is correct.

Mr. Kennedy. The attorney in his letter lists what he has done for the \$15,000 that he originally requested, did he not?

Mr. Sheridan. Yes, sir.

Mr. Kennedy. Do you have a copy of that?

Mr. Sheridan. Yes; I do.

Mr. Kennedy. That consists of some seven or eight conferences that he held?

Mr. Sheridan. That is correct.

Mr. Kennedy. How many conferences, actually? Mr. Sheridan. There are actually 10 conferences.

The CHAIRMAN. Do we have a copy of the letter?

Mr. Sheridan. Yes; we do.

The Chairman. This letter may be made Exhibit No. 72.

(Letter referred to was marked "Exhibit No. 72" for reference and will be found in the appendix on p. 17686.)

Mr. Kennedy. Actually, it consists of a conference with a client and an attorney, a Teamster attorney, a meeting with the press, that is the second, another conference with the attorney, a conference with two clients, and a conference with the client and attorney, obtaining some six depositions. Is that right?

Mr. Sheridan. Yes.

Mr. Kennedy. And then two appearances in court and for that the -charge was \$15,000?

Mr. Sheridan. That is right.
Mr. Kennedy. That is all there is, is there, in connection with the documents in connection with this operation?

Mr. Sheridan. Yes, sir.

The Chairman. The letter was made exhibit No. 72. The photostatic copy of the check for \$10,000 may be made exhibit No. 72-A.

(Check referred to was marked "Exhibit No. 72-A" for reference and will be found in the appendix on p. 17687.

Mr. Kennery. Have you the document for \$5,000?

Mr. Sheridan. Yes; we have that check in connection with the advance of \$5,000 to local 290.

The Charman. What document have you showing that transaction? Have you the check?

Mr. Sheridan. Yes, dated April 30, 1958, to local 290, in the amount of \$5,000.

The Chairman. Who is that check from?

Mr. Sheridan. From the Teamsters International Union.

The Chairman. That may be made exhibit No. 72-B.

(Check referred to was marked "Exhibit No. 72-B" for reference, and it will be found in the appendix on p. 17688.)

TESTIMONY OF DAVID FRECHETTE, ACCOMPANIED BY COUNSEL, H. CLIFFORD ALLDER—Resumed

Mr. Kennedy. You still hold your union position, do you not?

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer may tend to incriminate me.

Mr. Kennedy. So Mr. Hoffa at least was not so outraged at your suggestion that he requested your resignation or fired you as a Teamster official?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer may tend to incriminate me.

The CHAIRMAN. What we find here is that \$15,000 came out of the international union less than a month after this proposal was made; is that correct?

Mr. Sheridan. Within a 2-month period.

The CHAIRMAN. The letter is written March 18, and this check is April, the check for \$5,000, is April 11.

Mr. Sheridan. And the \$10,000 check, I believe, is the 15th.

The CHAIRMAN. Well, less than 2 months; all right.

Mr. Kennedy. And, of course, during that period of time, there was some financing of the union going on, regular financing, from the southern conference?

Mr. Sheridan. Yes; that is correct.

Mr. Kennedy. But Mr. Hoffa did not take any disciplinary action against you, Mr. Frechette?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer may tend to incriminate me.

Mr. Kennedy. In fact, he took steps to financially support the union and also to financially support this attorney, Mr. Cohen, who was the attorney for your union as well as other unions down there of the Teamsters?

Mr. Frechette. I respectfully decline to answer because I honestly

believe my answer may tend to incriminate me.

Mr. Kennedy. How long have you had Mr. Cohen as the attorney? Mr. Frechette. I respectfully decline to answer because I honestly believe my answer may tend to incriminate me.

Mr. Kennedy. You speak of him to handle this as Mr. Hoffa's per-

sonal representative; is that right?

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer may tend to incriminate me.

Mr. Kennedy. Does Mr. Cohen handle many things such as this?

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer may tend to incriminate me.

Mr. Kennedy. That is all, Mr. Chairman.

The Charman. Are there any further questions?

Will you make one decent statement about your operations?

Mr. Frechette. I respectfully decline to answer because I honestly believe my answer may tend to incriminate me.

The CHAIRMAN. Stand aside.

Call the next witness.

Mr. Kennedy. Mr. Karpf.

The CHAIRMAN. Mr. Karpf.

Be sworn.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Karpf. I do.

TESTIMONY OF CHARLES KARPF

The Chairman. State your name, please.

Mr. Karpf. Charles Karpf.

The Chairman. Where do you live, Mr. Karpf?

Mr. Karpf. 424 Surfside Boulevard, Miami Beach, Fla. The CHAIRMAN. What is your business or occupation?

Mr. Karpf. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The Chairman. Is that because your business is not legitimate?

Mr. Karpf. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The Chairman. You waive counsel; do you?

Mr. Karpf. I do.

The Chairman. Will you waive that card, memorandum, or whatever it is you have in front of you?

Mr. Karpf. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. Kennedy. Mr. Karpf, you were formerly associated with Local 598 of the Upholsterers Union and Local 296 of the United Textile Workers; is that right?

Mr. KARPF. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

Mr. Kennedy. Your criminal record reveals some eight arrests and three convictions?

Mr. Karpf. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

Mr. Kennedy. 1944, possession of policy slips, \$25 fine; 1951, forgery in the second degree, grand larceny in the second degree, and petty larceny. You plead to attempted grand larceny in the second degree and received 1 to 2 years in the State prison in New York; is that right?

Mr. Karpf. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

Mr. Kennedy. In 1955, convicted of assault and battery, 30 days and a \$250 fine; is that right?

Mr. Karpf. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

Mr. Kennedy. Before you became active in this operation, in unions, in the Miami area, you were active in New York City; is that right? Mr. Karpf. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

Mr. Kennedy. Prior to 1950, you derived your income largely from bookmaking, but when you were arrested from June of 1944 you gave your occupation as organizer for the Dress Drivers and Helpers Union, Local 102 of the ILGWU; isn't that right?

Mr. Karpf. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

Mr. Kennedy. Your brother, David Karpf, was the manager of Local 102, ILGWU, up until 1957, when he was convicted of labor extortion?

Mr. Karpf. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

Mr. Kennedy. And his activities have come before the committee;: in addition to that there is also the fact that he was one of those who borrowed money from Irving Mishel and Charles Bernoff; is that

Mr. Karpf. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

Mr. Kennedy. And another brother was Benny Kaye, a Miami gambler who is now deceased; is that right?

Mr. Karpf. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

Mr. Kennedy. In 1949 you obtained a charter for Local 65 of the Novelty Workers, which was affiliated with the International Jewelry ${
m Workers?}$

Mr. Karpf. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

Mr. Kennedy. The charter was revoked in 1950, but you kept a checkbook, and in December 1950 bought six cameras in New York City with a local 65 check; is that right?

Mr. Karpf. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

Mr. Kenneby. And then you continued to use the checks of that local into 1951 ; did you not ?

Mr. Karpf. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

Mr. Kennedy. You continued your union operation. You went down to Florida, and when the Automatic Music Guild was formed with Mr. Randazzo, they recognized Local 598 of the Upholsterers Union, of which you were the chief official; is that right?

Mr. Karpf. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

Mr. Kennedy. There was never any interest in the employees. You were there as an organizer on behalf of the employers; is that correct?

Mr. Karpf. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

Mr. Kennery. And you offered the employers, the operators, security; is that right!

Mr. Karpf. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

Mr. Kennedy. Then when the association voted to recognize local 598, you put an assessment of 50 cents per machine per month to be split between the association and the union, with about 4,000 machines in the county giving \$1,000 to each per month?

Mr. Karpe. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

Mr. Kennedy. Would you tell us anything about the operation there?

Mr. Karrr. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

Mr. Kennedy. Would you tell us anything about Mr. Norman's place of business being stinkbombed?

Mr. Karpf. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

Mr. Kennedy, On Mr. Helow being beaten up? Can you tell us about that?

Mr. Karpf. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

The Chairman. Is he the one that testified he was beaten up! Is this the Karpf that this boy said beat him up!

Mr. Kenneby. Yes, that is right.

The CHARMAN. Are you proud of it?

Mr. Karpf, I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The Chairman. How much help did you take along with you!

Mr. Karpf. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The Chairman. All right. Proceed.

Mr. Kennedy. Was the fourth man, Herman Wilensky, who assisted you in beating this Mr. Helow up, an associate of yours in Brooklyn, known as Herkie?

Mr. Karpf. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

Mr. Kennedy. And who has the reputation of that of a killer who has 11 arrests and one conviction, in 1952, for grand larceny?

Mr. Karpf. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

Mr. Kennedy. Did you go around and threaten operators that did not take their jukeboxes from the members of the association with whom you had this collusive deal?

Mr. Karpf. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

Mr. Kennedy. Did you tell Miss Catherine Gibson that her boxes were not accepted by the association, that her place would be stink-bombed?

Mr. Karpf. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

Mr. Kennedy. And was that threat also made by Walter George Zarzyski, who was the owner of the Florida Flamingo Music Co.?

Mr. Karr. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

Mr. Kennedy. He has a record of seven arrests and five convictions, having served more than 8 years of a 1-to-20-year sentence for armed robbery.

Mr. Karpf. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

Mr. Kennedy. He was one of the operators who formed the new association, and Randazzo was one of those behind you; is that right?

Mr. Karpf. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

Mr. Kennedy. When you went into local 296, according to the information we have, 296 of the Textile Workers Union, included amongst the jukebox repairmen, of which you had about 4, you

organized a major shrimp packing plant, 27 window-cleaning firms, and 2 optical-supply plants; is that right?

Mr. Karpf. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. And most of the workers were Puerto Rican and Cuban extraction, could not speak English, and had to pay some \$3 to \$4 to the union. All they received was the membership card; is that right?

Mr. Karpf. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. And no one ever approached the employees. It was just once again this collusive arrangement that you made with the employers.

Mr. Karpf. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. And you also became business manager of the Florida Window Cleaners & Maintenance Association, is that right, an association of companies doing window cleaning and janitorial services in local hotels?

Mr. Karpf. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. And there was some violence with some of the employees who refused to join the union, and which, again, was operated by the association. Those employees were beaten up?

Mr. Karpf. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

The CHAIRMAN. Did you ever whip anybody your size?

Mr. Karpf. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The CHAIRMAN. Call the witness from this morning, the one who

got beat up.

Mr. Helow. I am Mr. Helow.

The CHAIRMAN. What do you weigh?

Mr. Helow. About 155.

The CHAIRMAN. How much do you weigh?

Mr. Karpf. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The CHAIRMAN. Do you know this fellow standing by you?

Mr. Karpf. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The CHAIRMAN. The fact is you are ashamed of what you did, aren't you? You can't look him in the face, can you, without showing your shame?

Mr. Karpf. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. Actually, he had three other people with him. The Chairman. I know; he had three others helping him.

Mr. Kennedy. Mr. Chairman, we have some letters that I would

like to have made exhibits, if we may.

These letters are in connection with Mr. Karpf's activities. They oppose his union, saying they want nothing to do with them.

TESTIMONY OF ARTHUR G. KAPLAN-Resumed

The CHAIRMAN. Mr. Kaplan, you may identify the letters and comment about them, on the basis of your examination and your

investigation related thereto.

Mr. Kaplan. These letters resulted from the attempts of the IBEW local that was being pushed out by Karpf's local to determine just who Karpf was and whether he complied with the Florida law requiring that he register as a labor representative.

The CHAIRMAN. That is this man on the witness stand—Karpf?

Mr. Kaplan. Yes, sir—Mr. Karpf.

They first inquired of Mr. Sal Hoffman, who was president of the Upholsterers International Union, and as a result of that inquiry, Mr. Hoffman wrote to Mr. Meyer Greenfield, who was then president of local 598, which Mr. Karpf was purporting to represent in organizing the coin machine workers, and Mr. Hoffman stated that—

When we issued our charter to local 598, it was on the basis that the local and its representatives confined their organizing activities to the unorganized workers coming within the jurisdiction of the Upholsterers International Union.

Then he goes on to describe what that jurisdiction is.

Then he says—

Now with regard to Charles Karpf, our records do not show a Charles Karpf as a member of our union. Neither do our records indicate that a Charles Karpf is an officer of local 598. Therefore, you will please see to it that Mr. Charles Karpf does not present himself as a representative of the Upholsterers International Union, Local 598.

The CHAIRMAN. What is the date of that letter? Mr. Kaplan. This letter was dated March 21, 1955.

And on that same day——

The CHAIRMAN. That letter may be made exhibit 73.

(Document referred to was marked "Exhibit No. 73" for reference

and may be found in the files of the select committee.)

Mr. Kaplan. On that same date, Mr. Hoffman wrote to the Miami Crime Commission, because they were concerned with what to them appeared to be a very obvious shakedown in this industry. Mr. Hoffman addressed a letter to Mr. Dan Sullivan, and it states—

We do not know Mr. Charles Karpf. Our local 598 does not have the authority to organize nor to accept as members coin machine mechanics.

They disclaimed them completely.

The CHAIRMAN. That letter may be made exhibit No. 73A.

(Document referred to was marked "Exhibit No. 73-A" for ref-

erence and will be found in the appendix on p. 17689.)

Mr. Kaplan. Immediately therafter Karpf represented himself as an organizer for the Miscellaneous Workers of America, Local 296, of the United Textile Workers of America, AFL, and gave out this card. He had this card printed and gave it out when he called on bars and various persons.

The CHAIRMAN. I will present to the witness a card of the Miscellaneous Workers of America, UTWA-AFL, Charles Karpf, organizer. I present this card to you and ask you if that is your card of identification that you used in connection with your union activities

at one time.

(The document was handed to the witness.)

TESTIMONY OF CHARLES KARPF-Resumed

Mr. Karpf. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The CHAIRMAN. Are you ashamed of it?

Mr. Karpf. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The CHAIRMAN. Did you ever represent legitimately any union in

your life?

Mr. Karpf. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

The Chairman. Were you an imposter? Did you just represent yourself as being an officer or as authorized by a union to act as its organizer or representative when in truth and fact you were not so authorized?

Mr. Karpf. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

The CHAIRMAN. Are there any further questions?

Mr. Kennedy. Mr. Chairman, we also had the testimony of Ruth Brougher in connection with Mr. Karpf, as well as Mr. Indellicato.

The Chairman. This card may be made exhibit No. 73-B.

(Card referred to was marked "Exhibit No. 73-B" for reference

and will be found in the appendix on p. 17690.)

Mr. Kennedy. It was that, according to Ruth Brougher, the three of them received this payment and that Joe Indellicato received \$2,500 of the split.

Do you know Ruth Brougher?

Mr. Karpf. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

Mr. Kennedy. Is her testimony in connection with your activities

correct?

Mr. Karpf. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

Mr. Kennedy. And the reason, of course, that you could not register in the State of Florida was because of the fact that you had had this felony conviction; is that right?

Mr. Karpf. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

Mr. Kennedy. So that was handled by having Mr. Randazzo register rather than you?

Mr. Karpf. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

Mr. Kennedy. Do you know Barney Baker?

Mr. Karpf. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

Mr. Kennedy. Mr. Chairman, this letter from the State of Florida

shows that he did not receive a license. Mr. Kaplan secured it.

The Chairman. Mr. Kaplan, I hand you a letter and ask you to

identify it.

Mr. Kaplan. Yes, sir. This is a letter dated May 11, 1955, and is in response to an inquiry to the Secretary of State of the State of Florida. It is addressed to the Electricians Union, No. 239, which is the IBEW. It states:

Dear Miss Matthews: As requested in your telephone call to the office this day, we have checked our records relative to the status of Charles Karpf and do not find where he has been issued a business agent's license for the Upholsterers International Union.

The Chairman. That may be made exhibit No. 73-C. (Letter referred to was marked "Exhibit No. 73-C" for reference and will be found in the appendix on p. 17691.)

Mr. Kennedy. That is all, Mr. Chairman.

The CHAIRMAN. The committee will now stand adjourned, subject to the call of the Chair. The next public hearings will likely be around the 8th, 9th or 10th of April.

(Members of the select committee present at time of adjournment:

Senators McClellan and Church.)

(Whereupon, at 4:50 p.m. the select committee adjourned, to reconvene at the call of the Chair.)



INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

TUESDAY, APRIL 7, 1959

U.S. Senate, Select Committee on Improper Activities in the Labor or Management Field, Washington, D.C.

The select committee met at 2 p.m., pursuant to Senate Resolution 44, agreed to February 2, 1959, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator

Sam J. Ervin, Jr., Democrat, North Carolina.

Also present: Robert F. Kennedy, chief counsel, Walter R. May, assistant counsel; John P. Constandy, assistant counsel; Arthur G. Kaplan, assistant counsel; Sherman S. Willse, investigator; Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at the convening of the session were Senators McClellan and Ervin.)

The CHAIRMAN. The Chair will make a brief statement.

The committee enters today into the final phases of its scheduled study of racket infiltration and control in the coin-operated machine business

The hearings held by the committee thus far on coin machines have demonstrated that underworld figures have in a number of instances successfully infiltrated both the management and the union end of this lucrative business; we have found racketeers in management associations, in jukebox companies, in record-distributing companies, and in operating unions in this field. The hearings on New York, Chicago, Miami, and other cities have presented a variety of combinations used to get and exercise control over the coin-machine industry.

The Detroit phase, however, that we are now beginning, we expect will serve to highlight a combination of the factors previously uncovered during our hearings. The struggle for control of the Detroit coin-machine industry extends over a long period of time. The committee intends to review the factors which have contributed to the existing racket control of certain segments of both management and

labor in this industry in the Detroit area.

Because the racketeers have been so successful in the Detroit area, the committee will trace the methods by which they achieved in that city their measure of control. In Detroit, as in other cities, the stage was originally set by a group of employers who wanted to bar the

competition of outsiders. This they found could most effectively be done by collusion with a union. The racketeers, faced with this challenge, the proof will show, successfully infiltrated and assumed control of major portions of both ends of the business.

Mr. Hoffa, his assistant, Mr. Bufalino, and certain key figures in the Detroit underworld, it appears, play key roles in the situation

in Detroit.

Mr. Kennedy, you may call the first witness.

Mr. Kennedy. The first witness is Mr. Joseph Brilliant.

The CHAIRMAN. Will you be sworn, please?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Brilliant. I do.

TESTIMONY OF JOSEPH BRILLIANT

The Chairman. State your name, your place of residence, and your business or occupation.

Mr. Brilliant. My name is Joseph Brilliant. I operate the Bril-

liant Music Co. of the City of Detroit.

The CHAIRMAN. What is that?

Mr. Brilliant Music Co. of the City of Detroit.

The Chairman. Do you have counsel?

Mr. Brilliant. No, sir.

The CHAIRMAN. Do you waive counsel? You do not desire counsel?

Mr. Brilliant. No, sir.

The CHAIRMAN. All right. Proceed.
Mr. Kennedy. Mr. Chairman, prior to Mr. Brilliant's testimony, we have a number of possible exhibits here. One is a tracing of the Detroit coin-machine industry as to its union and to its association, which might be helpful to the committee in following the testimony, and also have here the names of people whose names will arise during the course of the hearings.

The Chairman. The Chair will permit these to be printed in the record at this point, solely as a basis of information, and not as

evidence.

(The information referred to follows:)

DETROIT COIN MACHINE INDUSTRY

IN TWENTY YEARS: TEN EMPLOYER-SPONSORED UNIONS

From March 1939 to 1942: Local Industrial Union 737, United Electrical Radio and Machine Workers of America, CIO (Roy Small). Union sponsored by the Michigan Music Operators Association, Inc., which name was amended to United Music Operators of Michigan (membership and purposes remain unchanged). Union represented at Michigan CIO Convention, 1942, by Roy Small. Charter revoked by International.

From 1942 to 1943: American Federation of Coin Machine Operators, Inde-

pendent. (Terminated in 1943.)

From March 1943 to the fall of 1943: Local 361, CIO, United Retail, Wholesale and Department Store Employees Union (Neil Holland). Union charter was

revoked by the International.

From June 1943 to December 1944; Federal Local No. 22321, United Coin Machine Workers, AFL (Terminated in 1944) (Neil Holland and Sam LaVigne). Was dissolved January 1945. Union commenced operations from office of Association. Union business agents on payroll of Association.

From January 1945 to the spring of 1947: Federal Local No. 23814, Music Maintenance Workers, AFL (Eugene C. James). Sponsored by the Michigan Automatic Phonograph Owners Association, Inc. (MAPOA). Membership and purposes unchanged from that of predecessor. Union charter revoked through Detroit Federation of Labor; Jimmy James puts Hoffa's wife and Brennan's wife on union payroll.

June 1947 to date: Local 985, International Brotherhood of Teamsters (Eugene C. James and William Bufalino). Charter application fraudulent. Charter

obtained from International by James Hoffa.
United Music Operators of Michigan (reactivated), 1953 to 1958 (UMO). June 1950 to the fall of 1950: National Phonograph Machine Workers of America (independent). (Edward Duck.) Sponsored by Muisc Systems, Inc. A company union.

April 1953 to date: Local 1, United Electronic Workers of America (independent). (Theodore Gaylor.) Sponsored by Jump Music Co., et al. A company

September 1953 to date: Michigan United Coin Workers Union (independent).

Sponsored by Bush Music Co. A company union. 1953 to date: Automatic Coin Machine Workers Union. Sponsored by the Gaycoin Music Co. A company union.

Names of Interest, Detroit

Ayres, Warren: Sales manager, Vendo Cigarette Co., Detroit. Balenseifer, Martin: Franchised Wurlitzer distributor, Detroit (1943–46).

Brennan, Owen: President of IBT Local 337.

Bilvin Distributing Co.: Wurlitzer distributor, January 1946 to June 1947. Blumetti, James: Youngstown, Ohio, ex-convict. One of Nickelodeon Record Corporation of America trustees. Also former secretary of local 410, IBT.

Bommarito, Joe, also known as SCARFACE: A leading Detroit mobster. Brilliant, Joseph: Former jukebox operator and distributor, and past president

of the Michigan Automatic Phonograph Owners Association, Detroit.

Bufalino, Russell: Attended Apalachin meeting. Cousin of William Bufalino. Bufalino, William: President of Local 985, Teamsters, Detroit, and former president of Bilvin Distributing Co.

Bushkin, Jack "Babe": Labor consultant and owner of Market Vending Co. Calland, Frank (deceased): Jukebox union official in New York City up to Also official of Nickelodeon Record Corp.

Cammarata, Frank: Deported Midwest mobster.

Ciarmitaro, Sam, also known as Black Shirt Sam: Juke box operator.

Clason, Roy: Former manager of MAPOA.

Coleman, Morris: Business agent for Local 337, Teamsters, Detroit, and vending machine operator.

Coppola, Francisco: Large-scale narcotic dealer. Arrested in Italy.

Corrado, Domenic: Owner of T.D. Vending Co., Detroit.

Corrado, Pete: Known numbers racketeer.

De Schryver, Victor: Former jukebox operator in Detroit.

Dilberto, Carlo: Convicted gambler who loaned money for start of Bilvin Distributing Co.

Ditta, Nick: Underworld figure who loaned money for start of Bilvin Distributing Co.

Dixon, Leo: Jukebox distributor and operator in Ohio area.

Duck, Edward: Former head of an independent jukebox local in Detroit.

Gallo, Arthur: Operator of G. & G. Vending Co.

Goldman, Morris: Detroit jukebox operator and former president of the Michigan Automatic Phonograph Owners Association.

Graham, Harry: Former Wurlitzer distributor in Detroit.

Guensche, Hugo: Former employee of Joseph Brilliant, and a jukebox serviceman.

Hammargren, Milton J. "Mike": Former Wurlitzer vice president in charge of sales.

Holland, Neil: Former union leader in Detroit.

Hopkins, Carl: Vending machine operator in Detroit.

James, Eugene "Jimmy": Former president of local 985, Teamsters, Detroit, and official of Laundry Workers International Union.

Jay-Cee Music: Jukebox operation of Pete Tocco and Raffaele Quasarano. Johnson, Siegfried: Bar owner in Detroit.

Langley, James: Secretary-treasurer of local 985, Teamsters, Detroit, and brother-in-law of Hoffa.

La Vigne, Sam: Representative of Detroit Bartenders Union, local 562, AFL.

Licavoli, Peter: Convicted Detroit gangster.

Maltese, Domenic, J.: Partner in Arizona Music Co.

Market Vending Company: Cigarette vending company owned by Jack "Bake" Bushkin.

Marquette Distributing Co.: Aieron jukebox distributor, Detroit.

Marston Distributing Co.: AMI distributor in Detroit.

Meli, Vincent A.: Jukebox operator in Detroit.

Meltone Music Company: Jukebox company operated by Vincent Meli.

Michigan Automatic Phonograph Owners Association (MAPOA): Formed by operators of jukeboxes in Detroit in 1944.

Minaudo, Nono: Deported hoodlum. Partner in Arizona Music Co.

Morgan, Charles "Chuck": A representative since 1952 of various jukebox and cigarette machine operator associations.

Nemesh, Joseph: President of Music Systems Inc., Seeburg distributorship in

northern Ohio and Detroit area.

Nickelodeon Record Co.: Company formed to produce and sell phonograph records. Now defunct.

Passanante, James: Former jukebox operator and partner of Angelo Meli.

Presser, William: Former president of Jukebox Local 410, Teamsters, Cleveland, and presently official of various units within Teamsters Union.

Priziola, John, also known as "Poppa John": Former director of Bilvin Dis-

tributing Co. Has lengthy arrest record.

Prujanski, Herman "Turk": West coast representative of Nickelodeon Record Co.

Salupo, Anthony "Babe" (deceased): Officer of local 442-D, IBEW, Cincinnati. Small, Roy: Former jukebox operator, labor leader, and association official in

Tocco, Sam J.: One of the officers of Bilvin Distributing Co.

United Music Operators Association: Detroit association of jukebox operators.

Watts, Cecil: Business agent for local 337, Teamsters, Detroit. Welsh, Lawrence "Johnny": Financial and recording secretary of local 985, Teamsters, Detroit.

Mr. Kennedy. Now, Mr. Brilliant, you are in the music and game machine business in Detroit, from approximately 1930 to early 1958; is that right?

Mr. Brilliant. That is right.

Mr. Kennedy. And you were in the capacity of a distributor and as an operator at various times during that period?

Mr. Brilliant. That is right.
Mr. Kennedy. That period of some 28 years?
Mr. Brilliant. That is right.
Mr. Kennedy. During a portion of that time, you were president of the Operators Association in Detroit; is that right?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. As president of the Operators Association during the early 1940's, were you engaged in an effort to fight some of the gangster and racketeering element?

Mr. Brilliant. That is right.

Mr. Kennedy. That tried to obtain control of both the union and the association; is that right?

Mr. Brilliant. That is right.

Mr. Kennedy. Now, could you explain just briefly what the difficulty or problem is as far as the juke box business itself is concerned, the distribution of the juke boxes and the pressures that are put on a jukebox operator?

Mr. Brilliant. That covers quite a bit. I don't know which phase

of it you want me to explain.

Mr. Kennedy. If you could explain the operations of the so-called "whip" companies, what the pressures are from the location owner and what the pressures are from the distributor, as a general proposition.

Mr. Brilliant. Well---

Mr. Kennedy. Specifically as far as the early 1940's.

Mr. Brilliant. I don't know what you are getting at, Mr. Kennedy.

Mr. Kennedy. You were having difficulty in the early 1940's, were you not?

Mr. Brilliant. That is right.

Mr. Kennedy. And which ultimately led to your going down into Ohio to try to get some help and assistance?

Mr. Brilliant. That is right.

Mr. Kennedy. Just explain what the difficulties were that you were

having at that time.

Mr. Brilliant. Well, Wurlitzer at that time came out with a story that they were going to have exclusive operators, and the operators in the Detroit area, in order to protect themselves, went to Cleveland to find out the workings of an association and how it should function, and thereby protecting ourselves against that.

Mr. Kennedy. What does it mean when they say they were going to

have exclusive operators?

Mr. Brilliant. Meaning that they would sell to certain individuals and sign a contract with them, and thereby not selling to anybody else.

Mr. Kennedy. What was the danger as far as the rest of you were

concerned in that?

Mr. Brilliant. We wouldn't be able to get any new machines, and thereby protecting ourselves and our business.

Mr. Kennedy. Was Wurlitzer at that time ahead of other com-

panies?

Mr. Brilliant. That is right.

Mr. Kennedy. For what reason were they ahead of these others?

Mr. Brilliant. They were first with the machines, and all of the rest of them were lagging behind, 6 months to a year.

Mr. Kennedy. How had they been able to do that?

Mr. Brilliant. I don't know.

The Chairman. You mean they were able to deliver a machine promptly, if you purchased it?

Mr. Brilliant. That is right.

The CHAIRMAN. And the others would have to take an order and deliver it some six months later?

Mr. Brilliant. They weren't ready.

The CHAIRMAN. It would take some time before they could deliver?

Mr. Brilliant. That is right.

Mr. Kennedy. And they said that they were going to just give the right to distribute these machines, just to certain companies; is that right?

Mr. Brilliant. That is right.

Mr. Kennedy. To certain operators?

Mr. Brilliant. That is right.

Mr. Kennedy. In order to protect yourselves you decided you would go down and meet with some of these people in Ohio?

Mr. Brilliant. We heard of a successful organization and we

wanted to follow the pattern.

Mr. Kennedy. Now, "successful" in what way?

Mr. Brilliant. In order to protect the operators, whereby one don't jump the other and so forth and so on.

Mr. Kennedy. Who did you go down to Ohio to visit?

Mr. Brilliant. Bill Presser and Leo Dixon.

Mr. Kennedy. Who was he?

Mr. Brilliant. He was president of the association in Cleveland. Mr. Kennedy. Who was Mr. Presser?

Mr. Brilliant. He was with a union. He was running the union for the association at that time.

Mr. Kennedy. Which was an Electrical Workers Union; is that

right?

Mr. Brilliant. I think so.

Mr. Kennedy. That is No. 442-H, I believe, of the United Electrical Workers.

Mr. Brilliant. I don't know about that.

Mr. Kennedy. Of the International Brotherhood of Electrical Workers.

Mr. Brilliant. Yes, sir.

Mr. Kennedy. Did you understand that this arrangement down in Ohio had been an arrangement made between the union, personified by Mr. Presser, and the Association, personified by Mr. Dixon?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. And did they explain to you how it operated when you were down there?

Mr. Brilliant. Yes, they did.

Mr. Kennedy. And then you went back to Detroit and did they make several visits to Detroit after that?

Mr. Brilliant. They did.

Mr. Kennedy. And Mr. Dixon and Mr. Presser?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. What did they explain to you at that time as to how it could operate, and what you would have to do?

Mr. Brilliant. We got the bylaws, and the rules and regulations and how to function in an association, and set it up accordingly.

Mr. Kennedy. And the method of operation dealt with one com-

pany jumping another company?

Mr. Brilliant. That was illegal, and one company shouldn't jump the other company as long as they were members of the same association.

Mr. Kennedy. What was the union going to do in connection with

this, and were they going to be sort of the enforcement arm?

Mr. BRILLIANT. That is right.

Mr. Kennedy. Is that the way they had operated in Ohio?

Mr. Brilliant. That is right.

Mr. Kennedy. And had been so effective; is that right?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. Is it generally known that in Ohio, with the arrangement with Mr. Presser, that that is the most effective area as far as preventing jumping of locations, and the union acting as this enforcement arm?

Mr. Brilliant. That is right.

Mr. Kennedy. Even to this day?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. And it keeps competition between the various operators down to a minimum; is that correct?

Mr. Brilliant. That is right. Mr. Kennedy. Now, when Mr. Presser was up in Ohio, did he say that this advice as to how to set up this association, a union arrangement, would cost some money?

Mr. Brilliant. It would cost us \$5,000.

Mr. Kennedy. And was \$5,000 then raised for Mr. Presser at that time?

Mr. Brilliant. Yes, sir.

The CHAIRMAN. Who was to get that money?

Mr. Brilliant. As far as I knew, to the best of my knowledge, Bill Presser.

The Charman. Just a personal contribution to him?

Mr. Brilliant. Pardon me?

The CHAIRMAN. That was a payment to him personally?

Mr. Brillant. Yes, sir.

The Chairman. For his counsel and advice?

Mr. Brilliant. Yes, sir.

The Chairman. Just as you would employ a lawyer or a doctor to advise you?

Mr. Brilliant. Yes, sir.

The CHAIRMAN. So it is a consultation fee of how to set up one of these organizations?

Mr. Brilliant. That is right.

The CHAIRMAN. And what was his position at the time?

Mr. Brilliant. He was president of that union in Cleveland, whatever the name was.

The CHAIRMAN. He was president of a union?

Mr. Brilliant. Yes, sir.

The Chairman. A local union; is that correct? Mr. Brilliant. Yes, sir.

The CHAIRMAN. All right.

Mr. Kennedy. Now, who contributed to making up the \$5,000 for Mr. Presser?

Mr. Brilliant. Well, the entire group. Mr. Kennedy. This group of operators?

Mr. Brilliant. In Detroit, yes, sir. Mr. Kennedy. You yourself contributed?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. And to whom was the money given?

Mr. Brilliant. To the best of my recollection, to Victor De-

Mr. Kennedy. D-e S-c-h-r-y-v-e-r?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. What was his position at that time?

Mr. Brilliant. He became president of the first association.

Mr. Kennedy. And you understood that he in turn passed the money on to Mr. Presser; is that right?

Mr. Brilliant. Yes, sir. Mr. Kennedy. You understand that Mr. Presser had to, in turn, pass any of this money on to any other individual?

Mr. Brilliant. No, sir.

Mr. Kennedy. There wasn't any discussion about that?

Mr. Brilliant. No, sir. Mr. Kennedy. Who was it that was to be made head of the union at that time?

Mr. Brilliant. Jimmy James.

Mr. Kennedy. Where did Jimmy James come from ?

Mr. Brilliant. I don't know, sir.

Mr. Kennedy. What year is this that we are talking about? Mr. Brilliant. 1945.

Mr. Kennedy. 1945?

Mr. Brilliant. I think so.

Mr. Kennedy. Do you know who brought Mr. Jimmy James into the group?

Mr. Brilliant. No, sir; I don't.

Mr. Kennedy. He just was introduced as the one to head up the union; is that right?

Mr. Brilliant. Yes, sir.
The Chairman. He was brought in from the outside?

Mr. Brilliant. No, sir. He was a Detroit man. The Chairman. He was a Detroit man?

Mr. Brilliant. Yes, sir. The Chairman. Who selected him?

Mr. Brilliant. I don't remember, sir. I just don't remember. The Chairman. Did your group select him?

Mr. Brilliant. Yes, sir.
Mr. Kennedy. Were the employees consulted at all about going into the union?

Mr. Brilliant. No, sir.

Mr. Kennedy. However, they were placed into the union at that time?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. And you paid the dues of your employees?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. And as far as you know, the rest of the association members followed the same procedure?

Mr. Brilliant. That is right.

Mr. Kennedy. And that became local No. 23814?

Mr. Brilliant. I think so.

Mr. Kennedy. That was a federal charter; is that right?

Mr. Brilliant. I guess so. I don't know.

Mr. Kennedy. Did this arrangement operate reasonably successfully?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. You had no difficulties, at least initially?

Mr. Brilliant. No, sir. Mr. Kennedy. Then within a year or so did you begin to have some difficulties?

Mr. Brilliant. No. We had no difficulties until approximately 1946.

Mr. Kennedy. Were you pleased with the service that Mr. James was performing?

Mr. Brilliant. Very much.

Mr. Kennedy. Did you make some presents to him?

Mr. Brilliant. Yes, we did.

Mr. Kennedy. What did you give him? Mr. Brilliant. The association rendered him a Cadillac.

Mr. Kennedy. That was Christmas of 1945?

Mr. Brilliant. Yes, sir.

The CHAIRMAN. Who was James representing, the union or the association?

Mr. Brilliant. Both.

The CHAIRMAN. No conflict of interest?

Mr. Brilliant. No, sir.

The CHAIRMAN. Served the welfare of both, for the union to have as their representative the representative of management?

Mr. Brilliant. Yes. We thought he was very good and did a fine

job.

The Chairman. It was working out well for management, wasn't

Mr. Brilliant. Yes, sir. The CHAIRMAN. All right.

Mr. Kennedy. Did he also get a piece of the business as well as a

Cadillac car?

Mr. Brilliant. Yes, sir. When AMI became—when machines were becoming available, or we heard they were, I understand he went to AMI and helped Mr. Marston get the distribution of AMI, and thereby getting 20 percent of the distribution.

Mr. Kennedy. So he got 20 percent of the Marston Distributing

Mr. Brilliant. That is right, sir.

Mr. Kennedy. Which was the distributor for AMI?

Mr. Brilliant. That is right.

The CHAIRMAN. What did the people who do the work get out of

Mr. Brilliant. They were getting a fair salary.

The CHAIRMAN. They were getting that anyhow, weren't they?

Mr. Brilliant. Yes, sir.

The CHAIRMAN. So they got no additional benefit by reason of having their name put in the union?

Mr. Brilliant. No, sir.

The Chairman. This was a deal worked out solely to benefit, primarily to benefit, management, the operators and this union official; is that correct?

Mr. Brilliant. Well, at the same time it helped the fellows because it kept their jobs and we kept our locations.

The CHAIRMAN. So it only benefited them by reason of the fact that they kept their jobs?

Mr. Brilliant. Yes, sir. Mr. Kennedy. You mean as long as business was good for the operators, they would have someplace to work?

Mr. Brilliant. Right.

Mr. Kennedy. Did you understand that he also got an interest in the Marquette Distributing Co.?

Mr. Brilliant. No, sir; not the Marquette.

Mr. Kennedy. Did he get any interest in any other company other than Marston?

Mr. Brilliant. Aireon.

Mr. Kennedy. A-i-r-e-o-n?

Mr. Brilliant. That is right.

Mr. Kennedy. Was that the name of the company or is that the name of the jukebox?

Mr. Brilliant. That is the name of the jukebox?
Mr. Kennedy. The company that had the distributorship of the Aireon jukebox also gave him an interest; is that right?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. Was he able to keep the industry on a fairly stable plane while he was operating the union?

Mr. Brilliant. Yes, he was. Mr. Kennedy. So everybody was extremely grateful and pleased with Mr. Jimmy James?

Mr. Brilliant. Yes, they were. That is right.

Mr. Kennedy. So this went along for 1945 and 1946. Were you operators financing the operation of the union during this period of

Mr. Brilliant. I think so. Mr. Kennedy. Whenever he would need money in order to run the union or to provide pickets or whatever it might be, the operators would provide that money?

Mr. Brilliant. Yes, sir. Mr. Kennedy. Did you know if he ever had to go to any outside source for money?

Mr. Brilliant. No, sir; not to my knowledge.

Mr. Kennedy. Any time that he needed any extra money, he could always come to your group; is that right?

Mr. Brilliant. Yes, sir.

The CHAIRMAN. Was this money in addition to the dues you paid for your members?

Mr. Brilliant. No, sir. Dues was raised whenever there was any more money needed. The dues were raised.

The CHAIRMAN. I mean, you paid so much in dues per month for each of your employees, did you?

Mr. Brilliant. Yes, sir.

The CHAIRMAN. And these would be extra assessments or extra dues?

Mr. Brilliant. Yes, sir; that is right.

The Chairman. He would decide he needed more money in addition to what the regular dues were providing?

Mr. Brilliant. Yes, sir.

The Chairman. And he would assess the operators an additional amount?

Mr. Brilliant. Well, it never happened, but that is the way it worked.

The Chairman. I don't see how it could work if it never happened.

Mr. Brilliant. Well, there was no assessments at that time.

The Chairman. At that particular time. Did he give you assessments later?

Mr. Brilliant. Yes, sir.

The CHAIRMAN. Then it did happen some time later?

Mr. Brilliant. All right.

The CHAIRMAN. Is that right?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. There were assessments for labels, were there? You had to pay for labels?

Mr. Brilliant. Labels; yes, sir.

Mr. Kennedy. So that would help finance the union, would it not?

Mr. Brilliant. That is right.

Mr. Kennedy. And that was going on during this period of time?

Mr. Brilliant. That is right.

Mr. Kennedy. The reason that I wanted to bring that out and develop it, Mr. Chairman, is this:

Well, did you know if Mr. Hoffa and Mr. Brennan had anything to

do with the operations of this local?

Mr. Brilliant. No, sir.

Mr. Kennedy. You never heard of that?

Mr. Brilliant. No, sir. Mr. Kennedy. Mr. Hoffa's testimony to the committee, Mr. Chairman, was that his wife and Mr. Brennan's wife were placed on the payroll of this union in their maiden names at \$100 a week in order to repay a debt of some \$2,000, which Mr. Brennan and Mr. Hoffa had loaned to Mr. James so that Mr. James could set up and operate this union.

They remained on the payroll until they received a total of about \$6,000, even though they only had loaned some \$2,000 or \$3,000. But

Mr. Hoffa explained that by just saying that it was a mixup.

We are going to go into that matter more extensively later on during the hearings. The importance of this witness' testimony is that it was the operators who were financing this union; that whenever there was any need of any money, the operators were putting the money up. At least according to the testimony of these individuals who made the arrangements originally with Mr. Presser, there was no need for any extra money at that time, or need for Mr. James to turn to any outside source.

You were going along quite nicely for 1945 and 1946. Was there an occurrence then in 1946 in connection with the Wurlitzer Co. that

caused some consternation and trouble?

Mr. Brilliant. Yes, there was.

Mr. Kennedy. Would you tell us what happened then?

Mr. Brilliant. At that time, a fellow by the name of Harry Graham went down to the Wurlitzer Co.

Mr. Kennedy. Is that G-r-a-h-a-m?

Mr. Brilliant. Yes. At that time a fellow by the name of Martin Balenseifer had the Wurlitzer distribution.

Mr. Kennedy. Balenseifer of St. Louis, Mo.?

Mr. Brilliant. Right.

I don't know how Graham went about it, but Graham went ahead and got the distribution for Bill Bufalino and Tocco, and quite a few other fellows that were supposed to be in it. Who they are—

Mr. Kennedy. So Harry Graham was the one who arranged to have the distributorship taken away from Balenseifer and given to

a company that was run by Tocco and Bufalino?

Mr. Brilliant. That is correct.
Mr. Kennedy. Sam Tocco and Bill Bufalino?

Mr. Brilliant. That is right.

Mr. Kennedy. He made his arrangements with Mike Hammergren, the Wurlitzer vice president?

Mr. Brilliant. Yes, sir. Mr. Kennedy. Do you know how he was able to make those arrangements?

Mr. Brilliant. No, sir; I don't.

Mr. Kennedy. Do you know if any money had to be paid at that

Mr. Brilliant. No, sir; I don't.

Mr. Kennedy. Do you know who was behind the operations of Bufalino and Sam Tocco?

Mr. Brilliant. By hearsay; yes, sir. Mr. Kennedy. Who was behind it?

Mr. Brilliant. Angelo Meli, Nick Corrado. Mr. Kennedy. These were some of the leading underworld figures in the city of Detroit?

Mr. Brilliant. That is right.

Mr. Kennedy. When you say "hearsay," was this fairly well understood in the trade, that Mr. Meli and the Corrados were behind this company?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. It was accepted that Angelo Meli was the chief figure behind it?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. What did you know about Mr. Harry Graham,

who made this arrangement?

Mr. Brilliant. Mr. Graham was general manager of Marquette Music Co. for a good many years and operated or sold Wurlitzer for-I don't know—10 or 15 years prior to the war and then there was no more machines to sell, naturally.

Mr. Kennedy. He was very friendly with Mr. Hammergren, was

he not?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. And he was a major figure in this industry at that time?

Mr. Brilliant. That is right.

Mr. Kennedy. Mr. Chairman, we have had some testimony about Angelo Meli's connection with this company, and we will have considerably more testimony before the end of the hearing.

The name of that company was the Bilvin? Mr. Brilliant. Bilvin Distributing Co.

Mr. Kennedy. B-i-l-v-i-n Distributing Co.?

Mr. Brilliant. That is right.

Mr. Kennedy. Did you have difficulty and trouble with this company that you understood was backed by the underworld in the city of Detroit?

Mr. Brilliant. Yes, we did.

Mr. Kennedy. What kind of trouble?

Mr. Brilliant. Well, they started putting out routes, not in their own name, but through different companies, like the T-D Music, Jay-Cee Music, Meltone Music. T-D Music Co.-

Mr. Kennedy. And then Jay-Cee Music Co.?

Mr. Brilliant. That is right.

Mr. Kennedy. And Sam's Music Co.?

Mr. Brilliant. That is correct.

Mr. Kennedy. And the Meltone Music Co.? Mr. Brilliant. That is correct.

Mr. Kennedy. They would distribute their jukeboxes through these three or four different companies?

Mr. Brilliant. They sold them to them and they put them out.

Mr. Kennedy. They gave an exclusive to these companies?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. What was the problem and difficulty with that? Were these companies also operated by gangster figures in Detroit?

Mr. Brilliant. Well, they are all relatives.

Mr. Kennedy. All relatives of these gangsters or other gangsters; is that correct?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. For instance, T-D Music Co., who ran and operated that company?

Mr. Brilliant. Sparky Corrado.

Mr. Kennedy. Who are the Corrados?

Mr. Brilliant. Sparky Corrado is a nephew of Pete Corrado.

Mr. Kennedy. And he is a major underworld figure in the city of Detroit?

Mr. Brilliant. Was.

Mr. Kennedy. Was?

Mr. Brilliant. Yes, sir. Mr. Kennedy. He died?

Mr. Brilliant. Yes, sir. Mr. Kennedy. Last year?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. You mentioned Jay-Cee Music Co. Who ran that company?

Mr. Brilliant. Pete Tocco.

Mr. Kennedy. Who is Pete Tocco?

Mr. Brilliant. A relative of the other Tocco.

Mr. Kennedy. Black Bill Tocco?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. Also a major underworld figure?

Mr. Brilliant. Yes, sir.
Mr. Kennedy. You mentioned Meltone Music. Who ran that?

Mr. Brilliant. It was run by Vince Meli, a nephew of Angelo Meli. Mr. Kennedy. How about Sam's Music Co.?

Mr. Brilliant. A former employee of Angelo Meli's in another company. I don't think he was related to him at all.

Mr. Kennedy. But these were the companies that Bilvin used to distribute these jukeboxes throughout the city?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. Were they taking locations away?

Mr. Brilliant. Very easily.

Mr. Kennedy. Did it take a lot of sales when these companies would call up and try to get a machine placed?

Mr. Brilliant. No, sir. There was no effort on their part.

Mr. Kennedy. All that was necessary was what?

Mr. Brilliant. Just deliver a machine.

Mr. Kennedy. They would kick the other machine out and put these machines in?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. Why do you think they did that at these locations? Mr. Brilliant. I don't know why.

Mr. Kennedy. What is your best judgment?

Mr. Brilliant. Well, No. 1, they received a brandnew machine, and we all had old machines, because there was no new machines out for 4 or 5 years.

No. 2, it seems that they could walk into a fellow and say, "We are bringing in a new machine," and that was it. There was no way in

the world we could hold it.

Mr. Kennedy. Why do you think they were able to accomplish this with such ease, other than the fact that it was a different kind of machine?

Mr. Brilliant. I just think that the saloonkeepers wanted to do

them a favor to be on their side.

The CHAIRMAN. Doing himself a favor rather than doing them a favor, wasn't he?

Mr. Brilliant. Both. Let's say it was both ways.

Mr. Kennedy. These are well known people in the city of Detroit?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. Do you think that that played a major role?

Mr. Brilliant. I think so.

Mr. Kennedy. How many locations do you think they were able to take away?

Mr. Brilliant. About a thousand, as a rough guess. Mr. Kennedy. That is a thousand out of how many?

Mr. Brilliant. 4,000.

Mr. Kennedy. So they were able to take about 25 percent of all the locations in the city of Detroit?

Mr. Brilliant. Yes, sir.

The CHAIRMAN. If they could take them that easily, why didn't they take all of them?

Mr. Brilliant. I don't know, sir. Maybe they ran out of money.

The CHAIRMAN. They would take them as fast as they could get machines, I guess.

Mr. BRILLIANT. They did.

Mr. Kennedy. They were taking just the cream locations, were they not?

Mr. Brilliant. They sure were.

Mr. Kennedy. Just the best ones?

Mr. Brilliant. That is right, sir.

Mr. Kennedy. What year was this that this was going on?

Mr. Brilliant. 1946 and 1947. Mr. Kennedy. Was there some violence in the city of Detroit?

Mr. Brilliant. Very little.

Mr. Kennedy. Was there a grand jury investigation of the situation at that time?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. Did they investigate the fact that you might have paid \$2,000 to Mr. Jimmy James?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. What was the situation in connection with the \$2,000?

Mr. Brilliant. Mr. James came to us and said they were forming another union to try to combat us. We didn't know who they were. The board of directors of the association voted to give him \$2,000.

Mr. Kennedy. This was the opposition, this other group, the Bilvin

group?

Mr. Brilliant. We felt so.

Mr. Kennedy. They were going to form a union of their own?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. And James said that he needed \$2,000 in order to combat that?

Mr. Brilliant. That is right, sir.

Mr. Kennedy. Did you arrange to pay him the \$2,000?

Mr. Brilliant. No, sir. We collected \$2,000. They gave it to me. I got sick and was home for 4 days. Then they took me down to the grand jury and before I had the chance to give James the \$2,000 that was brought out. So I took the \$2,000 and gave it back to the association.

Mr. Kennedy. So you never gave him \$2,000?

Mr. Brilliant. No, sir. Mr. Kennedy. The money had been collected but you never paid it

to him because the grand jury investigation intervened?

Mr. Brilliant. That is right.

Mr. Kennedy. Did the grand jury investigation lead to the revocation of the charter of James' local, No. 23814?

Mr. Brilliant. Yes, sir.
Mr. Kennedy. Then there was no union in Detroit? He lost his charter and what happened?

Mr. Brilliant. He received a Teamster charter within a 30- or 60-

day period.

Mr. Kennedy. Immediately after his charter had been revoked for these activities with 23814 he received a new charter with the Teamsters; is that right?

Mr. Brilliant. Yes, sir. Mr. Kennedy. That was local 985?

Mr. Brilliant. Yes, sir. Mr. Kennedy. That is, of the Teamsters.

The CHAIRMAN. The first charter had been with the Electrical Workers?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. This charter, 23814, was a federal charter?

Mr. Brilliant. It was an independent, whatever that is.

Mr. Kennedy. Independent under the AFL?

The CHAIRMAN. That is making it three different unions or charters that he is operating under.

Mr. Brilliant. One at a time.

The Chairman. At different times?

Mr. Brilliant. Yes, sir. The Chairman. I see.

Mr. Kennedy. During this period of time, when your union was out of existence, or 23814 was out of existence, were you paying dues? Mr. Brilliant. Yes, sir.

Mr. Kennedy. Who did you pay the dues to?

Mr. Brilliant. The same office.

Mr. Kennedy. Even though there was no union?

Mr. Brilliant. We didn't even know that the charter was revoked before there was another charter in existence.

Mr. Kennedy. So as far as you were concerned, the union just continued to exist; is that right?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. And it changed from 23814 to 985 of the Teamsters?

Mr. Brilliant. That is right.

Mr. Kennedy. And you continued to pay your dues?

Mr. Brilliant. That is correct.

Mr. Kennedy. Did he keep the same office—Jimmy James?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. Did he continue to run the union himself?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. Was another individual brought in?

Mr. Brilliant. A little while later.

Mr. Kennedy. When was that? Mr. Brilliant. I would say in the latter part of 1947.

Mr. Kennedy. Who was that? Mr. Brilliant. Bill Bufalino.

Mr. Kennedy. Actually, wasn't it in the summer of 1947 that Mr. Bufalino was brought in, immediately after the union got going? Mr. Brilliant. I don't know exactly the date, but it was some time in 1947.

Mr. Kennedy. I believe that the records would show it was July or August, July of 1947.

Mr. Brilliant. It could be.

Mr. Kennedy. That is when Mr. Bufalino came in? Mr. Brilliant. Yes, sir; it could be.

Mr. Kennedy. Now, this is the same Bufalino who was the one causing all of the difficulty with the Bilvin Co.; is that right?

Mr. Brilliant. That is right.

Mr. Kennedy. Did the Bilvin Co. go out of existence?

Mr. Brilliant. Yes, sir. Mr. Kennedy. Bilvin Distributing Co. went out of existence and Mr. Bufalino, who had helped the Bilvin Distributing Co., became a Teamster Union official; is that right?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. Do you know how that came about?

Mr. Brilliant. No, I don't.

Mr. Kennedy. Now here is somebody that you and Mr. James had been fighting, during this period of time, a company which was operated by the underworld. Mr. James has his charter lifted and he immediately gets a charter from the Teamsters Union, and then Mr. Bufalino becomes a Teamster Union official. Did this surprise you?

Mr. Brilliant. Very much so.

Mr. Kennedy. What was your reaction?

Mr. Brilliant. I was very angry, but there was nothing I could do about it, and when I talked to Jimmy, he told me that he had a better proposition in Chicago.

Mr. Kennedy. That is Jimmy James?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. When did you talk to him about it?

Mr. Brilliant. I talked to him on the phone a couple of times. Mr. Kennedy. Did you try to get an explanation as to how Bufalino got in the union?

Mr. Brilliant. I sure did, but I had no results on it.

Mr. Kennedy. Did Mr. Bufalino then proceed to run the union?

Mr. Brilliant. He did.

Mr. Kennedy. What happened to Mr. James?

Mr. Brilliant. He went to Florida for a while, and then he was in Chicago. He came in periodically, though.

Mr. Kennedy. And he was still nominally president of the union?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. Actually he remained, and was he actively running the union at all after 1947?

Mr. Brilliant. No. sir.

Mr. Kennedy. Mr. Chairman, the records show he remained on the payroll of local 985 in 1947, 1948, and 1949, and I believe into November of 1950.

And do you know why they were continuing to pay him if he was a union official in Chicago, and had been down in Florida?

Mr. Brilliant. No, sir, I understand he was getting \$100 a week,

and I don't know how long he got it.

Mr. Kennedy. Do you know if that was part of the deal, that he would get out of the union but continue to draw his salary?

Mr. Brilliant. I don't know that.

Mr. Kennedy. And turn it over to Mr. Bufalino?

Mr. Brilliant. I don't know that.

Mr. Kennedy. Did you meet or discuss this at all with Mr. Hoffa? Mr. Brilliant. We had one meeting. Mr. Hoffa brought us into his office and there were seven or eight members, and Mr. Bufalino, and myself. He told Mr. Bufalino to run a clean union and not to favor anybody. We thought it was a very nice speech.

The CHAIRMAN. What is that?

Mr. Brilliant. Pardon me.

The CHAIRMAN. You thought what?

Mr. Brilliant. It was a very nice speech. The Chairman. A nice speech?

Mr. Brilliant. Yes, sir.

The CHAIRMAN. Okay.

Mr. Kennedy. Did Mr. Hoffa tell you Mr. Bufalino would be running the union from then on?

Mr. Brilliant. He just said that Bill was running the union, and he would give everybody an equal fair shake.

Mr. Kennedy. Did you ask Mr. Hoffa why he selected Mr. Bufalino to run the union?

Mr. Brilliant. No, sir, I did not.

Mr. Kennedy. Did he tell Mr. Bufalino that he didn't want him to favor his relatives?

Mr. Brilliant. He sure did.

Mr. Kennedy. And you were very impressed with Mr. Hoffa at that time?

Mr. Brilliant. Yes, sir, we were.

Mr. Kennedy. Did Mr. Bufalino favor his relatives?

Mr. Brilliant. He sure did.

Mr. Kennedy. Were you disillusioned?

Mr. Brilliant. Not a bit.

Mr. Kennedy. Were you disillusioned with what you had heard from Mr. Hoffa?

Mr. Brilliant. Yes, sir, I was. Mr. Kennedy. Would you tell us, or relate to the committee, what happened then, after the meeting you had with Mr. Hoffa, and Mr. Bufalino, and Mr. Bufalino was told not to favor any group, including his relatives, and you left the meeting? Did you have difficulty with Mr. Bufalino shortly afterwards?

Mr. Brilliant. Yes. After that the Jay-Cee and the T-D Music and Meltone Music kept on jumping locations here and there, and

nothing was done about it.

Mr. Kennedy. This is the same group?

Mr. Brilliant. The same group.

The CHAIRMAN. That was the company that he had formerly headed?

Mr. Brilliant. Pardon me?

The CHAIRMAN. Is that the company that he had formerly headed himself?

Mr. Brilliant. Yes, sir.

The CHAIRMAN. In other words, after he got in—

Mr. Brilliant. Oh, no, he was formerly head of the distributing company, and not the operating company.

Mr. Kennedy. Which set these companies up?

Mr. Brilliant. Yes, sir.

The Chairman. You knew he had come in from this company to head the union and then he began to favor some other company rather than you folks?

Mr. Brilliant. That is right.

Mr. Kennedy. And was Mr. Bufalino giving service to his relatives and not giving service to you?

Mr. Brilliant. Yes, sir. Mr. Kennedy. When I talk about "service," I mean that he would prevent the jumping of locations by your group, but he would not stop the jumping of locations by this other group?

Mr. Brilliant. That is correct.

Mr. Kennedy. That group was his relatives and friends; is that right?

Mr. Brilliant. That is correct.

Mr. Kennedy. And which were controlled or backed by this gangster element?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. So how long did you go along like this?

Mr. Brilliant. Well, I got out of it at that time.

Mr. Kennedy. When was this?

Mr. Brilliant. It was about the early part of 1948.

Mr. Kennedy. You got out of the union?

Mr. Brilliant. That is right, and I stayed out of the union and the association for 2 years.

Mr. Kennedy. That would be up to about 1950?

Mr. Brilliant. That is right.

Mr. Kennedy. Did you go back into the association then?

Mr. Brilliant. Yes, sir, I went back into the union and the association, both.

Mr. Kennedy. Vincent Meli and Corrado and the other group, were they in the association?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. Did they stay in the association during this whole period of time?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. Did you quit the union also?

Mr. Brilliant. Yes, sir. Mr. Kennedy. When was this?

Mr. Brilliant. About the same time.

Mr. Kennedy. And then you rejoined the union, did you not?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. Why did you rejoin?

Mr. Brilliant. They were harassing my locations, and bothering them, and walking in and offering them different considerations, and better machines, and so forth and so on, until it became unbearable.

Mr. Kennedy. Was the union any different when it was being run by Mr. Bufalino than when it was being run by Mr. James, except that Mr. Bufalino was favoring certain people, as far as the union

operating as an enforcement arm for certain groups?

Mr. Brilliant. Well, with Mr. James, there was no favoritism shown and no one operator was better than another. When Mr. Bufalino came came in, there was a different picture entirely. friends and relatives, or whatever they were, were favored, and the rest of them just ignored.

Mr. Kennedy. But the union still was not being run for the benefit of the employees. It was being run for the benefit of the operators

or the employers?
Mr. BRILLIANT. That is right.

Mr. Kennedy. That was true not only under Mr. James but true under Mr. Bufalino; is that right?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. And your complaint and objection to that was that it was not being run for the benefit of all but being run for the benefit of just a few?

Mr. Brilliant. That is right.

Mr. Kennedy. And these few happened to be relatives or close friends of Mr. Bufalino who were the underworld element in the city of Detroit?

Mr. Brilliant. Yes, sir. Mr. Kennedy. Now, this continued right up until what period of time? Actually they forced you out of business?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. And you got out in 1958 because you felt you could no longer fight this?

Mr. Brilliant. That is right. Mr. Kennedy. Is that right?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. Gradually, each week or each month.

Mr. Brilliant. Now, they didn't go out full blast at you, but they nibbled away at you, one stop at a time.

Mr. Kennedy. And gradually taking away your locations? Mr. Brilliant. One good stop 1 week and 2 weeks later another one, and 3 weeks later another one, and they just kept on hammering until you couldn't take it any more.

Mr. Kennedy. And finally forced you out of business?

Mr. Brilliant. That is right.

The CHAIRMAN. How did you go out of business? Mr. Brilliant. I sold out whatever I had left.

The CHARMAN. You sold out to whom, to their interests?

Mr. Brilliant. No, sir. Mr. Kennedy. Not only this group was active but it was supplemented by the fact that business agents of the Teamsters began to go into the business?

Mr. Brilliant. Four or five of them.

Mr. Kennedy. And they began to have their own routes?

Mr. Brilliant. They began, and I don't know if it was a group but individually, I would say four or five Teamster agents went into the jukebox business, and they started taking locations one at a time, from everybody.

Mr. Kennedy. Were they difficult to compete with?

Mr. Brilliant. I should say they were.
Mr. Kennedy. Would you explain what the problem was?

Mr. Brilliant. There was nothing explained, they would walk in and talk to the location and tell them they would help him out, and wouldn't have any trouble, and so forth, and they just put in a new machine, and you were called and told to take yours out.

Mr. Kennedy. That was competition that was impossible to meet?

Mr. Brilliant. It was impossible to compete with.

The CHAIRMAN. You were a member of the union at that time?

Mr. Brilliant. Yes, sir.

The Charman. Presumably you were supposed to have the union's protection.

Mr. Brilliant. Yes, sir.

The CHAIRMAN. You were paying for something you were not getting?

Mr. Brilliant. That is correct, sir.

The CHAIRMAN. They were still taking your money and at the same time cutting your throat?

Mr. Brilliant. That is right.

Mr. Kennedy. What were the dues that you had to pay to the

Mr. Brilliant. \$20 per man per month.

Mr. Kennedy. For your employees to belong to this union, local 985; and is that still true?

Mr. Brilliant. That is still true. Mr. Kennedy. They have to pay \$20. Each employee has to pay \$20 a month for dues?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. Does the union help them actually?

Mr. Brilliant. No, sir.

Mr. Kennedy. Most of the operators are paying the employees far more than the union wage scale, are they not?

Mr. Brilliant. Yes, sir. The Chairman. What becomes of this \$20 a month?

Mr. Brilliant. I don't know, sir.

The CHAIRMAN. You have an idea it doesn't go to serve the employees, do you not?

Mr. Brilliant. I have an idea it goes to the union, and what they

do with it I haven't the slightest idea.

Mr. Kennedy. When you were operating with Mr. James, you would pay your employees, dues; is that right?

Mr. BRILLIANT. That is right.

Mr. Kennedy. And initially with Mr. Bufalino, you followed the same procedure; is that right?

Mr. Brilliant. Yes, sir.

Mr. Kennedy. And then subsequently, it was decided that in order to give a cloak of legality to it, you would raise all of the employees' wages \$20 a month, and then deduct the \$20 and send the dues in?

Mr. Brilliant. That is right. The Chairman. What business are you in now?

Mr. Brilliant. I sell tube testers, tube-testing equipment, testing equipment.

The CHAIRMAN. Testing equipment?

Mr. Brilliant. Yes, sir.

The CHAIRMAN. You are out of the music business and the jukebox business altogether, are you?

Mr. Brilliant. Yes, sir.

The CHAIRMAN. Do you feel like you were forced out by reason of improper practices in connection with labor-management relations?

Mr. Brilliant. I think so, that and the conditions the way they are

in the city of Detroit.

The CHAIRMAN. What do you mean by conditions in the city of Detroit?

Mr. Brilliant. Conditions are very bad in the city of Detroit, and collections are down, and between that and being pushed out of the good stops, every once in a while, it was impossible to operate.

The CHAIRMAN. In other words, you were pushed out of the good stops by reason of the fact that a labor union and business association

had conspired together to get them?

Mr. Brilliant. That is right.

The CHAIRMAN. And take them away from you and give them to someone else?

Mr. Brilliant. That is correct.

The CHAIRMAN. All right; thank you very much, sir, and we appreciate your testimony. Call the next witness.

Mr. Kennedy. Mr. Neil Holland.

The CHAIRMAN. Mr. Holland, will you be sworn?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Holland, I do.

TESTIMONY OF NEIL HOLLAND

The CHAIRMAN. All right, Mr. Holland, be seated, and state your name, your place of residence, and your business or occupation.

Mr. Holland. I live in New York City, and I am

employed as a studio engineer by the National Broadcasting Co.

The CHAIRMAN. All right. Do you waive counsel, Mr. Holland?

Mr. Holland. Yes, sir.

Mr. Kennedy. Now, Mr. Holland, you were initially in the jukebox business, were you not?

Mr. Holland. I was not in the business; no, sir.

Mr. Kennedy. You were a union official?

Mr. Holland. That is correct.
Mr. Kennedy. Dealing with coin or jukebox employees?

Mr. Holland. So far as the coin industry is concerned, exclusively in that particular field.

Mr. Kennedy. And that was in the city of Detroit; is that right?

Mr. Holland. Yes, sir.

Mr. Kennedy. And you had been in the labor union movement, and you began actually in 1933; is that right?

Mr. Holland. Yes, sir.

Mr. Kennedy. Approximately?

Mr. Holland. Yes, sir.

Mr. Kennedy. And in 1940 you were appointed an organizer for the Detroit Joint Board of the United Retail, Wholesale & Department Store Employees, known as URDWDSEA?

Mr. Holland. That is correct.

Mr. Kennedy. It was known as the "Undersea" movement?

Mr. Holland. That was the nickname.

Mr. Kennedy. In 1942 you became president of local 361 of this union?

Mr. Holland. Yes, sir.

Mr. Kennedy. Now, in 1942, you were approached by Mr. Roy Small; is that right?

Mr. Holland. Yes, sir.

Mr. Kennedy. Of the Michigan Phonograph Owners Association?

Mr. Holland. Yes, sir.

Mr. Kennedy. And he asked you at that time to accept his people in as members of your union; is that correct?

Mr. Holland. The employees and the self-employed operators; yes, sir.

Mr. Kennedy. His people had been in Local 737 of the International Union of Electrical Radio & Machinery Workers of America?

Mr. Holland. That is correct.

Mr. Kennedy. And then James Newman had said that his international did not want these people in the union, and didn't like their tactics and wanted them to get out?

Mr. Holland. That is my understanding.

Mr. Kennedy. And so they were looking around to make a deal

with some other union, that they could put their people in?

Mr. HOLLAND. Well, primarily they were looking for a place in the CIO to have a union affiliation, because a great many of their locations operated by the Music Operators were in industrial areas, which were predominantly CIO people.

Mr. Kennedy. So Mr. Small came to you, and said that he would like to put his people in your union?

Mr. Holland. That is correct.

Mr. Kennedy. And now with these predominantly self-employed

people !

Mr. Holland. No; I would say that the majority of them were people employed by the larger operators, although there were considerable number of men who operated anywhere from half a dozen to maybe twenty machines, that could take care of them themselves, and so they didn't need an employee. But in order to service the machines in keeping with the general concept of operations at that time, they were members of the union and attended meetings of the union and also of the association in order to protect their interests as operators.

Mr. Kennedy. So you brought them in and they became members

of local 361?

Mr. Holland. That is correct.

Mr. Kennedy. And later you transferred into the AFL and became the United Coin Machine Workers, Local 22321; is that right?

Mr. Holland. That part of the local, and the Retail Clerks and other supply people remanied in local 361. We carried the No. 361 with us to the RCIA of the AFL.

Mr. Kennedy. Did Small, for a period of time, operate the associa-

tion and the union out of his own office?

Mr. Holland. That is my understanding. The Electrical Workers in the Hoffman Building. It is my understanding that originally he organized the local and then, in order to keep the local together, he organized the association and both bodies operated out of the same office.

Mr. Kennedy. Mr. Chairman, this is Mr. Small, whose name will come into the hearings as we go along. He was head of the association up in Detroit up until 1958. The methods and tactics that were used during this period of time are of some interest.

The union was completely dominated and controlled by Mr. Small

and his group; was it not?

Mr. Holland. Yes, sir; it was.

The Chairman. Did these unions ever have an election of officials?

Mr. Holland. Yes, sir. I was an elected president.

The Chairman. You were an elected president?

Mr. Holland. Yes, sir.

The Chairman. What other officials were elected?

Mr. Holland. The treasurer and the secretary and the vice president and, to the best of my recollection, we had several members of the executive board. I know that condition existed in local 361, and I remember specifically the resignation of one of the jukebox employees as secretary of his unit because his route had grown so big he couldn't take care of it.

We had an election for a successor to him. So at least to that extent, in my recollection—you understand, of course, Senator, this is 15 years ago, and some of the details are a little bit dim. But I do know that we had elected officers and they were elected by the rank and file membership. They weren't appointed.

Mr. Kennedy. As to the control that the association had over the union, the association, Mr. Small, and his group, would decide when pickets would go out; is that correct?

Mr. HOLLAND. That is correct.
Mr. Kennedy. And they would pay the pickets?

Mr. Holland. Yes, sir. Not always directly, but they did pay them. Mr. Kennedy. And the association paid the business agents, did they not?

Mr. Holland. They paid three of them and later paid a part of my

Mr. Kennedy. And paid a part of your salary?

Mr. Holland. Later; yes, sir.

Mr. Kennedy. When the association got into any difficulty, they would call you for the pickets; and you would send the pickets out,

and then they would pay you?

Mr. Holland. Unfortunately not always; no, sir. Quite often they would instruct the three so-called business representatives who were directly on their payroll, and they would conduct picket lines without my knowledge or information.

Mr. Kennedy. There was no discussion? There was no real benefit gained for the employees nor was there any interest in the employees,

at least initially?

Mr. Holland. Well, I think at least in theory the concept of the responsibility of the union to protect the locations was that a union member was making the collections and doing the service at each of these locations, and the principal part of his income came from the 14 percent of gross collections which was his commission.

So if he were knocked out of a good location which might have run anywhere from \$50 to \$75 or \$80 a week, 14 percent of that would make a substantial difference in his weekly income. So, so far as my mind was concerned, that was the justification for picketing if a location serviced by a union member had been jumped by someone else.

Mr. Kennedy. But I expect that you agree that the method by which the pickets were sent out and the control that the association had

over the pickets was improper?

Mr. Holland. They had practically full control of the situation un-

til the fight started.

Mr. Kennedy. For instance, looking at the minutes of the United Music Operators of Michigan, in 1943 it says:

UMO has made the predominating decisions in regard to picket lines, where and when they are to be conducted, and the union had no say whatsoever.

Mr. Holland. That was a complaint which I made to the association; yes, sir.

Mr. Kennedy. And then later on, Small said, speaking of you—

We couldn't have organized this association without the aid of active members and help received from contacts with various CIO locals. Complained many times to Neil Holland.

No, this is talking about himself. He said:

I couldn't have organized this association without the aid of active members and help received from contact with various CIO locals. Complained many times to Neil Holland, Sam LaVigne, that he wanted more work done. There was no shortage of money to pay pickets at the time Neil Holland and he talked about pickets, but that he wanted Mr. Holland to be as conservative as he possibly could when picket lines were used.

later on, talking about the fact that pickets were placed and removed as he saw fit.

So there was complete control at that period of time by the

association?

Mr. Holland. I think there is one clarification that needs to be made there, Mr. Kennedy. The conservatism that he wanted me to exercise was not to exercise my judgment but to follow his.

Mr. Kennedy. What about the stamps that were issued at that time?

Mr. Holland. Well, the original stamps that were issued were issued by the association. A flat fee per machine was assessed against the members of the association. The stamps that were issued said that the work performed on the machines was done in cooperation with organized labor. It didn't make a flat statement that they were a union label.

Mr. Kennedy. And the association paid for those stamps?

Mr. Holland. Yes, sir.

Mr. Kennedy. And that money was used——

Mr. Holland. As a matter of fact, the association had complete control over those. I never had any of them in my possession. They were possessed, issued and collected for by the association.

Mr. Kennedy. Did you protest against this operation after a period

of time?

Mr. Holland. Quite definitely; yes, sir.

Mr. Kennedy. Then you got into a dispute with Mr. Small and others?

Mr. Holland. I got into a dispute with Mr. Small, but I think the records of the association would show that most of the officers and most of the members of the association were inclined to my view, that the union matters should be controlled by the union, and that the union stamp, if it were going to be union label, should state so and should be under the jurisdiction of the union rather than the association.

Mr. Kennedy. So it was a question about the control of this union

label, was it not?

Mr. Holland. Not only that, but control of who were to be the business agents, and when and where there were to be picket lines and for what purposes there were to be picket lines.

Mr. Kennedy. There was some dispute amongst the association members of the union taking over the distribution of these labels,

was there not?

Mr. Holland. Yes, sir; there was. And unreasonable grounds, I

would say some of it was.

Mr. Kennedy. Carl Angott, who later became a business partner in a motel and a juke box route with Vincent Meli, he suggested rather than to have the union control the distribution of the labels, that each operator pay for his own pickets when needed?

Mr. Holland. That would have been a little more direct than the

original operation.

Mr. Kennedy. And then board member Corbett said:

Recall that at the time money was raised it was added for UMO organizational expense and picket lines which were necessary to conduct the phonograph business.

Tell me what would happen if a union member, who was also a member of the association, took another member of the association's location. Mr. HOLLAND. Well, the member who jumped another member would be called to account for it, and we would attempt to negotiate with him so that he would get out of the location and let the original union member continue to service his location.

If he didn't, that location would be picketed until he did remove his machine. But to the best of my recollection, none of his other

locations would be disturbed.

Mr. Kennedy. But you would picket even if it was a union memer? Mr. Holland. That is correct.

Mr. Holland. That is correct.
Mr. Kennedy. You would picket his location?

Mr. HOLLAND. Yes, sir. If a man pays \$1 or \$10 or \$20 dues for protection in his work, and if he is not protected in that work, then he is entitled to recourse to the union.

Mr. Kennedy. So you were having this major dispute with Mr. Small, particularly, Then were you arrested in an extortion charge?

Mr. Holland. Yes, sir.

Mr. Kennedy. When was that?

Mr. Holland. That was in, I would say, the late summer of very early fall of 1943.

Mr. Kennedy. Would you relate briefly to the committee what

happened in connection with that?

Mr. Holland. Yes, sir. There had been this dispute between the association and myself as to who was going to control the assignment of pickets, who was going to control the hiring and the direction of union business agents, and also the issuance and/or nonissuance of union labels to operators.

We had a closed shop contract between all of the members of the association and the union. A part of the contract was that the monthly dues of the employees would be deducted from their pay by the employers on what is known as a check-off and remitted to the

union not later than the 10th day of the following month.

For a period of a few months, some of the larger operators who had a fair number of employees were not deducting, if they had ever deducted, the dues from their employees' salaries, and were not remitting to the union. One of these was a firm in Pontiac, Mich., which is about 26 miles from Detroit, and they owed, to the best of my recollection, \$85 or \$90 in back dues for their employees.

Following a meeting of the association itself, which I attended and explained my position at, and following a discourse between Mr. Glen Uley, one of the two brothers who owned this firm in Pontiac, and myself on the floor in the meeting, I received a phone call from Roy Small, the conciliator of the association, advising me to go out to Pontiac, that the Uley brothers had now come around to seeing my point of view and were willing to pay the dues.

I went out and had another discussion with them, among which was that they were very much afraid that if we got control of the union label situation, the first thing we would do would be to increase the price from 25 to 50 cents, and eventually maybe they would be paying

\$1 apiece for them.

I assured them that wasn't the condition and, if necessary, we would enter into an agreement with the various operators that we would not raise the cost of the label, at least not without quite a bit of prior consultation. So following that conversation, Mr. Uley

agreed to pay—I believe, now, the amount was \$87 which he paid me

and I gave him a receipt for it.

As I turned to leave the building, two gentlemen entered the room, and one of them identified himself as a police lieutenant and the other identified himself as the prosecuting afterney for the county. I was placed under arrest and told that I was being charged with extortion.

Mr. Kennedy. So they took you——

Mr. Holland. They took me to the county jail, and I was held in one wing of the jail. There was a string of 14 cells. There were no other prisoners in that particular wing. I was held there incommunicado for 5 days. Not even my attorney could get to me to discuss the case with me before going to jail.

Mr. Kennedy. Did you see anybody while you were in jail? Mr. Holland. Yes, sir; I did.

Mr. Kennedy. Who did you see?

Mr. Holland. Jimmy Hoffa of the Teamsters Union.

Mr. Kennedy. How did you happen to see him?

Mr. Holland. He came in to the cell block and talked to me. don't know how he got in there, but there he was.

Mr. Kennedy. Did he give you an explanation of how he could come to see you when your own lawyer couldn't come to see you?

Mr. Holland. He didn't give me any direct information, but he did tell me that the prosecutor was a pretty hungry guy, and if I could raise \$5,000 I wouldn't have to go to court, that he would see to it. And if I didn't raise \$5,000 for the prosecuting attorney, I was going to get 10 years in prison for extortion, and that he had the political power and prestige in that section of the State to see that I went to jail, no matter how good my attorney was or any struggle I might make against going to jail; but that was the situation; if I didn't come up with \$5,000, I was going to go to jail.

The CHAIRMAN. Who said that you wouldn't go to jail?

Mr. Holland. Mr. Hoffa said that the prosecuting attorney would see that I didn't go to jail.

The CHAIRMAN. Hoffa was telling you that the prosecuting attorney had that power?

Mr. Holland. Yes, sir.

The Chairman. That the prosecuting attorney would see that you went to jail?

Mr. Holland. Yes, sir, and that Mr. Hoffa—

The Chairman. But if you got \$5,000 and gave it to Hoffa, he would take care of it?

Mr. Holland. Yes, sir.

The CHAIRMAN. That was the deal?

Mr. Holland. Yes, sir.

Mr. Kennedy. What did you say to him?

Mr. Holland. I told him I didn't have \$5,000, and if I did have it I wouldn't pay it, because I didn't think they had a case against me; what I had done was perfectly legitimate, and if I was convicted in the Oakland County Court, they had a Supreme Court in the State of Michigan and I was quite confident that if I got into the Supreme Court there would be no case at all.

Mr. Kennedy. What happened then?

Mr. Holland. I believe it was the fourth day, the day before I went to court, Mr. Hoffa came back and reiterated the same statements with the same results. He also told me that he didn't believe me when I said I didn't have \$5,000.

He said, "If you don't have \$5,000, you don't know what you got

your hands on, boy, and you ought to be in jail."

Mr. KENNEDY. Meaning what?

Mr. HOLLAND. Well, that the opportunities which I think were later demonstrated by some of the more ambitious gentlemen who took over the union operation in this industry for making money were quite wide open, that if I was dumb enough that I wasn't making any money, I ought to be in jail.

The CHARMAN. In other words, if you were not exploiting the opportunity to the fullest, you were dumb and, therefore, you ought

to be in jail; let somebody else have it that would.

Mr. Holland. That is pretty straight; yes.

Mr. Kennedy. So he came back to see you, the only visitor you had in 5 days, he came back to see you to get you to give him \$5,000 in which he said he could fix this case for you?

Mr. Holland. Yes, sir.

Mr. Kennedy. And you refused to pay him?

Mr. Holland. Yes, sir. I would have had to refuse in any event; I didn't have the \$5,000.

Mr. Kennedy. Then on the fifth day, did they take you before the

judge

Mr. Holland. Yes, sir; except that at the last minute my attorney discovered that the courtroom in which the hearing was scheduled had been changed and I was being taken into another court and they were trying to get me through a hearing without his being present in court, and he discovered it in time to get over to the other court and prevent that and I was released on bail.

Mr. Kennedy. Did anybody know you were in jail for the five

days?

Mr. Holland. Yes, my wife and my stepbrother—not my stepbrother; my foster brother, came up to see me. They weren't allowed to see me, but they were allowed to send in a change of clothing and cigarettes.

Mr. Kennedy. Did you ever find out how Mr. Hoffa knew you

were in jail?

Mr. HOLLAND. Well, it got into the Detroit papers after two of the other business representatives of the union were picked up in Detroit at the request of the Oakland County authorities.

Mr. Kennedy. What day was that?

Mr. Holland. I believe later in the same day I was arrested or the following, at the very latest.

Mr. Kennedy. So Mr. Hoffa could have learned it from the news-

papers that you were there?

Mr. Holland. Yes, sir. Or he might have learned it at the AFL Temple, because those people were quite excited about it there and got in touch with Edward N. Barnard.

Mr. Kennedy. What finally happened in the case?

Mr. Holland. It was thrown out. There were several delays. After I had been released on bail, there were several delays through

calls from the Oakland County prosecutor to my attorney, postponing the hearings, and after about 8 weeks of that, I went back to another meeting of the association or their executive board, I don't remember which, and told them that if the case wasn't taken to trial or dropped entirely, that I was going to start suing a few people for false arrest and defamation of character.

Mr. Kennedy. Subsequently they brought the case against you?

Mr. Holland. Within 24 hours; yes.

The Charman. Did they ever try to get money out of you after Hoffa's efforts failed!

Mr. Holland. No, sir; they didn't. It was pretty well known after

that that we didn't have any.

The Chairman. They found out you didn't have any and left you alone?

Mr. Holland. That is right.

The Chairman. You were arrested for extortion, but actually you think what happened was that they arrested you in order to extort

\$5,000 out of you; is that it?

Mr. Holland. I don't think that was the original plan, sir. I know the arrangement was made, if you want my view on it, Senator, it is this—the conciliator or executive director of the association made the attempt to have the same deal rigged in Wayne County, which is Detroit, and the prosecutor there and his staff refused to go along.

He then made the arrangement in Oakland County in an effort to first get me out of the picture and secondly enhance his own position in the association so there would be no further threat to his control

of the association.

The Charman. They tried to frame you up in another county, first? Mr. Holland. They tried to frame me up in my home county first.

The Chairman. What is the name of that county?
Mr. Holland. Wayne County. That is where Detroit is.

The Chairman. They undertook to frame you there before you were

arrested in this other county?

Mr. Holland. Yes, sir, and it was understood by the prosecuting attorney's office in Wayne County that it was to be strictly a frame. I was advised of that by one of the members of his staff. I don't recall who it was now, but that was my advice, directly from his office.

The CHAIRMAN. Why didn't they go through with it in Wayne

County?

Mr. Holland. They didn't want any part of it. It was a pretty dirty deal and they wanted no part of it.

The Chairman. In other words, the prosecuting attorney in Wayne

County refused?
Mr. Holland. Yes, sir.

Mr. Kennedy. Subsequently some of the State authorities were conducting an investigation in this county in which you were arrested,

and the district attorney committed suicide?

Mr. Holland. Yes, sir. There had been charges of graft in many parts of the State and the select committee of the State senate was investigating from county to county as to the graft situation and so on and so forth.

I would say it was about 3 months after this arrest was made I heard about 2:30 in the afternoon that that State senate committee was

going into Oakland County the following day to begin investigations there, and at about 7:30 that night a special bulletin came over the radio that the prosecuting attorney had shot himself. A different reason was given, but he shot himself that night.

Mr. Kennedy. Mr. Chairman, because of the significance of Mr. Holland's testimony in connection with Mr. Hoffa, we requested a lie detector test be given to him regarding Mr. Hoffa's attempts to

shake him down for the \$5,000.

You have there, Mr. Chairman, a handwritten report on the lie detector test. There will be a more complete report furnished to the committee subsequently.

The CHARMAN. Did you take a lie detector test?

Mr. Holland. I took a series of three tests yesterday afternoon: yes, sir.

The Chairman. Where?

Mr. Holland. In New York City.

The CHAIRMAN. By whom?

Mr. Holland. A Dr. Rouke; Fabian L. Rouke.

The Chairman. Do you know anything about his reputation in this profession?

Mr. Holland. Only vaguely. I remember hearing his name in

connection with this type of examination; yes, sir.

The Chairman. How did you happen to go to him?

Mr. Holland. I was taken there by two investigators for this committee, sir.

The CHARMAN. Members of the staff took you to this doctor?

Mr. Holland. Yes, sir. They wanted to establish a reasonable degree of my veracity.

The Charman. You readily agreed to cooperate?

Mr. Holland. Yes, sir. I agreed right from the first time one of your staff talked to me. I agreed to cooperate.

The CHAIRMAN. Did you ever meet this doctor before?

Mr. Holland. No, sir; I hadn't.

The Chairman. You had never seen him or heard of him or knew

anything about him before?

Mr. Holland. I just faintly remember hearing his name in connection with lie detector tests, but I had never met the gentleman before.

The Charman. Mr. Counsel, have you sworn testimony to support

this report?

For the present, I will let this report of Dr. Rouke be made an exhibit not as proof, because it is not sworn to, but as a matter of reference. I assume the doctor would swear to what he has reported, but I will not make this evidence at the present.

If we have an affidavit later substantiating it, or verifying it, it may be made a part of the evidence. It may be made exhibit No. 74.

(Document referred to was marked "Exhibit No. 74" for reference and may be found in the files of the select committee.)

The CHARMAN. Exhibit No. 72 is for reference.

Mr. Kennedy. Could I read the last part?

The Charman. If you read it, it goes into the record. It may be read for the information of the committee. You need not put this into the record at the moment, Mr. Reporter.

Mr. Kennedy. He, incidentally, is a member of the staff of Manhattan College. His tests in this field are utilized by various government agencies in the New York area.

The Chairman. Are there any further questions!

Mr. Kennedy. That is all. Haven't you found this to be a kind of rotten business, the way it began to be operating?

Mr. Holland. I would say after I began in the service, and some of the people began to take it over, it got pretty rugged; yes, sir.

The Chairman. There is nothing wrong with the jukebox business as such, is there? I mean, it is perfectly legitimate?

Mr. Holland. It is a very legitimate business.

The CHARMAN. And it does provide for many a form of entertainment that is wholesome and that is enjoyable?

Mr. Holland. I spend a couple of dollars a week in it myself; yes,

sir.

The Chairman. What I mean is there nothing inherently wrong in the jukebox business as such.

Mr. Holland. If I might make a couple of side remarks in this

respect, Senator, I think you might be interested in them.

I think the principal difficulty in this business began because of the shortage of equipment, repair parts and new equipment and records due to the war. I think, too, that a lot of the people—not a lot of the people but a number of the people—who become interested in this business were like a lot of other people who had outside-the-law activities during the prohibition era.

At the end of the prohibition era, a lot of them flocked into the legitimate liquor business and its many avenues of revenue. Many of them operated in a purely legitimate manner. Others of them couldn't stand to stay away from their old habits and they began to break the law and to take undue advantage of other people in the same trade.

There is where your difficulty began. That and the combination of the shortages of equipment, records, and repair parts gave them an

excellent opportunity.

The CHARMAN. We get some communications from people operating jukeboxes and people who manufacture jukeboxes, and they are apprehensive, and maybe with some justification, that a hearing of this nature may tend to injure their business and give it a bad reputation, whereas, the truth is, there is nothing inherently wrong in the business itself.

Mr. Holland. No, sir.

The Chairman. I wanted to emphasize that. The committee doesn't feel that way about it at all. But we do find it an avenue or a vehicle being used by certain elements, maybe criminal elements in some instances, and by conniving in others, where there is labor and management involved, where the thing is handled in such a way as to destroy legitimate business and actually substitute a form of corruption and exploitation for what otherwise might be ligitimate enterprise.

Mr. Holland. I don't regret having gone in the service, but I am of the opinion, Senator, that had I not gone in service, a lot of the difficulties that arose would not have arisen, because I had very strong support amongst most of the people who were operators, and I would say a predominant majority of people who were members of the union

would have supported my position.

Had that condition been allowed to continue, I think eventually we would have straightened out the organizations, both of them, and avoided a lot of the difficulty which followed.

The Chairman. All right. Thank you very much.

Call the next witness.

Mr. Kennedy. Mr. Chairman, this is a part of a pattern that will be developed during the period of the next few days in connection with Mr. Bufalino's operations and with Mr. Hoffa. It is for that reason that Mr. Holland's testimony is of considerable importance.

The next witness, Mr. Victor DeSchryver, adds something more to Mr. Hoffa's activities in this field. I would like to call Mr. Victor

DeSchryver.

The Chairman. Mr. DeSchryver.

Do you solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. DeSchyver. I do.

TESTIMONY OF VICTOR DeSCHRYVER

The Chairman. State your name, your place of residence, and your business or occupation.

Mr. DeSchryver. My name is Victor DeSchryver. I live in Grosse Pointe Park, Mich. I am in the book business, retail book selling.

The Chairman. Do you waive counsel?

Mr. DeSchryver. Yes, sir.

The Charman. All right, Mr. Kennedy.

Mr. Kennedy. You sell religious books, is that right, Mr. DeSchryver?

Mr. DeSchryver. Yes, I do, Mr. Kennedy.

Mr. Kennedy. You were in the jukebox business for quite an extended period of time; is that right?

Mr. DeSchryver. Yes, sir: that was the first job I had in high

school.

Mr. Kenneby. At the age of 18?

Mr. DeSchryver. In 1936.

Mr. Kennedy. You were a part-time employee of your uncle, Harry DeSchryver; is that right?

Mr. De Scuryver. That is correct, sir.

Mr. Kennedy. He was the owner of the Marquette Music Co.; is that right?

Mr. De Schryver. That is correct, sir.

Mr. Kennedy. Then you became a full-time employee and subsequently in 1943 you were taken into partnership with your uncle; is that right?

Mr. De Schryver. That is right, sir.

Mr. Kennedy. Then you purchased, in 1946, your uncle's interest?

Mr. De Schryver, Yes, I did.

Mr. Kennedy. And you remained in the business until when?

Mr. De Schryver, I remained in the business until June of last year, sir.

Mr. Kennedy. During the year 1944-45, you were president of an

association known as the United Music Operators?

Mr. De Schryver. In 1944; yes. This extended toward the end of 1944.

Mr. Kennedy. You were having difficulties in the Detroit area, were you not, with various unions springing up?

Mr. De Schryver. This had been our history in the city of Detroit

for the past few years.

Mr. Kennedy. And had caused a great deal of difficulty and problems for the operators!

Mr. DE Schryver. That is right, sir.

Mr. Kennedy. So was it decided by the association that you would go down to Ohio and consult with Mr. Dixon and Mr. Presser there!

Mr. De Schryver. It was decided by a group of men who were the most active in the association, that we would do this. We had had an opportunity to view the operation of the association and union in Cleveland, and it seemed to offer the stability we were trying to bring about in our own business.

Mr. Kennedy. Was that because there had been such a close arrangement between the union and the association, the union under Mr. Presser and the association under Mr. Dixon?

Mr. De Schryver. Yes, that was our view.

Mr. Kennedy. And it is well known, is it not, that this arrangement that existed between the association and the union was about the best as far as the operators were concerned of any place in the country!

Mr. De Scuryver. That is right, sir.

Mr. Kennedy. And as a matter of fact that reputation has stayed with it even up to the present time, has it not?

Mr. De Schryver. I believe so, and I don't know its current history.
Mr. Kennedy. Up to the time you got out of the jukebox business?

Mr. De Schryver. Yes, sir, I believe so.

Mr. Kennedy, And you consulted with Mr. Presser and Mr. Dixon there, did you?

Mr. De Schryver. Yes sir; we did.

Mr. Kennedy. And they explained to you how this arrangement should be set up and the arrangement between the union and the association?

Mr. De Schryver. Yes, sir.

Mr. Kennedy. And the bylaws you should use and the rules and regulations that should exist?

Mr. De Schryver. That is right.

Mr. Kennedy. And then subsequently they made some trips up to Detroit, did they not?

Mr. De Schryver. Yes, they did.

Mr. Kenneby, Mr. Presser at that time was the union official of 442-H of the IBEW!

Mr. DE Schryver. He was the head of the Cleveland union, and I don't know what the number was or the connection. I believe it was the Electrical Workers.

Mr. Kennedy. You formed the association, or it was set up and Mr. Jimmy James was brought in. Do you know how Mr. James was brought in to head the union?

Mr. De Schryver. No. sir, I don't know how he came in.

Mr. Kennedy. Did Mr. Presser state to you and to the other associ-

ation members that he would require some money for performing this service?

Mr. De Schryver. Yes, sir.

Mr. Kenneby. How much money did he want?

Mr. De Schryver. He stated his fee would be \$5,000.

Mr. Kenneby. And you agreed to pay him the \$5,000?

Mr. De Schryver. Yes, sir; we did, sir. Mr. Kennedy. How did you raise that?

Mr. DE Schryver. That was collected from nine operators.

Mr. Kennedy. Seven of them paid \$650, and two of them paid \$250?

Mr. DE SCHRYVER. That is correct.

Mr. Kennedy. And \$5,000 was then turned over to you?

Mr. Dr Schryver. That is right. I was custodian of the money.

Mr. Kennedy. Did you in turn give it to Mr. Presser?

Mr. De Scarryer. The money was originally given to me in individual checks, and I cashed them and turned over \$5,000 in cash to Mr. Presser.

Mr. Kennedy. Why didn't you turn over a check to Mr. Presser?

Mr. De Seuryver. Because he wouldn't accept a check. He wanted cash.

Mr. Kennedy. Now, where did you turn the \$5,000 over to him? Mr. De Schryver. This was a mezzanine of the Statler Hotel.

Mr. Kennedy. Mr. Presser has testified, not before this committee, but before another group, that he did not receive any money, and he did not receive any money for this service that he performed up in Detroit.

You say you did give him the \$5,000? Mr. De Schryver. Yes, sir; I did.

Mr. Kennedy. There is no question about that, and you are telling the truth?

Mr. De Schryver. There is no question about that.

Mr. Kennedy. And it was \$5,000 in cash; is that correct?

Mr. DE Scuryver. That is right.

Mr. Kennedy. Did Mr. Presser indicate that he would have to take care of some other individuals in the Detroit area?

Mr. De Schryver. He indicated that the \$5,000 was to cover his expenses, and it was our belief that these expenses involved giving money to union officials there in Detroit.

Mr. Kennedy. Were there any union officials' names mentioned

at that time?

Mr. De Schryver. My best recollection of this is that there was a reference made to the union officials on Trumbull Avenue.

Mr. Kennedy. On Trumbull Avenue?

Mr. De Schryver. Yes, sir.

Mr. Kennedy. Now, that, of course, is the Teamster headquarters, is it not?

Mr. De Schryver. I believe it is.

Mr. Kennedy. Was there any discussion about mentioning Mr. Hoffa and Mr. Brennan's name!

Mr. De Schryver. There may have been, sir.

Mr. Kennedy. You cannot recollect!

Mr. De Schryver. I have no recollection right now.

Mr. Kennedy. But you do remember there was discussion about the union officials at Trumbull Avenue that had to be taken care of!

Mr. De Schryver. That is right.

Mr. Kennedy. Now, Mr. James' operation was financed by the association; is that right!

Mr. De Schryver. It was from dues.

Mr. Kennedy. That you would pay for these stamps?

Mr. De Schryver. That were collected. This was not ostensibly the way it was done. Each employee or each self-employed man was assessed the dues. But I think you could figure it out either way, the amount of the dues would equal a "per label" assessment, but technically it was collected in the form of dues per man.

Mr. Kennedy. And this was in order to finance his operation:

is that right!

Mr. De Schryver. That is correct.

Mr. Kennedy. Now, did he tell you, or inform you, or did Mr. James subsequently come to you and tell you that he had to have some more money to take care of certain individuals?

Mr. De Schryver. I don't have any recollection of this.

Mr. Kennedy. I would like to see if I can refresh your recollection. You testified before a grand jury in Detroit, the Murphy grand jury, did vou not?

Mr. De Schryver. Yes, sir, I did.

Mr. Kennedy. And that testimony indicated that you were asked a question that I asked you, if Mr. James came to you with the problem that he had to take care of or he needed some more money to take care of his obligations, and the question was asked of you at that time, "To whom?" and your answer at that time was "To Mr. Brennan and Mr. Hoffa."

Was that answer correct at that time?

Mr. De Schryver. Yes, sir, that was.

Mr. Kennedy. And the question:

What did he say those obligations were? Answer. Well, that was in order to keep them from, or rather to keep somebody from getting to them, referring to the Italian element in town, that he would have to keep them satisfied with money.

Is that testimony correct?

Mr. De Schryver. That testimony is correct, sir.

Mr. Kennedy (reading):

Question. Was any amount named?

Answer. No, sir.

Any specific amount? Question.

I couldn't say as to a specific amount. Answer. Question. Wasn't some amount per week named?

Answer. It was to be worked out on a weekly basis, paid on the payroll of the union.

Question. How much was to be paid through the union payroll?

Answer. As I can recall, \$100 or \$150.

Question. Was that \$100 apiece?

Yes. Answer.

Queston. Were the wives of Mr. 110na Answer. Yes, sir: I believe they were. Were the wives of Mr. Hoffa and Mr. Brennan mentioned?

Question. In what connection? Answer. That they would be put on the payroll.

The Court. What payroll?

Answer. On the union payroll.

Is that testimony correct that you gave at that time?

Mr. De Schryver. Yes, sir, that testimony is correct, and it is 12 years closer to the event, and I have no reason——

Mr. Kennedy. Is it your general recollection without getting into

the specifics at this time?

Mr. De Schryver. My general recollection is that Mrs. Hoffa and Mrs. Brennan were on the payroll, and the immediate events leading to it I just can't recall.

Mr. Kennedy. Now, Mr. Chairman, that fits in, of course, with the testimony of Mr. Brilliant, that they were having this difficulty back in 1945 and 1946, and that the difficulty was caused by Mr. Bufalino and Mr. Tocco being set up in business by Mr. Angelo Meli, one of the chief gaugsters in Detroit, and that they operated under the name of the Bilvin Distributing Co., and the Bilvin Distributing Co. gave Wurlitzers to some three or four companies which in turn were run by gangsters or relatives of gangsters. They began to get a monopoly control over the operation in the city of Detroit, and at that time they were looking for a union to be formed.

Evidently at this time Mr. James came to Mr. De Schryver and said in order to prevent this Italian element from coming in, or to deal with this group, what would be necessary for the union to do would be to place Mr. Hoffa's and Mr. Brennan's wives on their

payroll at \$100 a week, as a payoff to them.

This was done, and this in fact we know was done. They received some \$6,000, and subsequently the union was formed. Mr. James went out of business as an independent; the union was formed; and Mr. Bufalino was taken in immediately and made head of the

union by Mr. Hoffa.

So for that reason, and with the testimony of Mr. Holland that Mr. Hoffa came to him about getting \$5,000 to fix the case, and then the testimony of Mr. De Schryver and Mr. Brilliant in connection with Mr. Hoffa's activities, it shows a pattern of operation leading to Mr. Bufalino's taking over local 985.

Of course, we will go into some detail as to the operations of

local 985.

The CHARMAN. Did you agree to the placing of these women on the payroll?

Mr. De Schryver. Yes, sir, I would say so, although we had no

control over whether they did or didn't go on the payroll.

The CHAIRMAN. Well, there was no secret about it at the time, that the matter was to be handled in that way?

Mr. De Schryver. I think it was common knowledge.

The CHARMAN. All right.

Mr. Kennedy. Then, Mr. Chairman, the question further was asked:

In connection with raising the dues in order to make these payoffs to Hoffa and Brennan, was there a raise in dues that was effected to cover that situation from how much to how much?

Answer. Actually, the increase as well as I can remember was from approxi-

mately 50 cents to 70 cents.

Question. And the stated purpose as told you by James was to create a fund for payment to Hoffa and Brennan; is that correct?

Answer. I believe that is correct.

Question. Well, is there any doubt about it in your mind?

Answer. No, sir; there is not.

The CHARMAN. Is that the testimony that you gave before?

Mr. De Schryver. Yes, sir, that is.

The Chairman, Now, did you then, after Mr. Jimmy James remained in control of the union, and then Mr. Hoffa established Mr. Bufalino in local 985, did you continue to be a member of local 985?

Mr. De Schryver. No, for a period of time after the termination of the grand jury hearings, we dropped out of the association and

out of the union.

The Charman. For what reason?

Mr. De Schryver. Well, actually we were surprised to see a grand jury hearing and surprised to see so many people running in so many directions. We just felt it would be better to be out of it completely than to remain in it.

The Charman. You mean running in different directions to avoid

subpenas to appear before the grand jury?

Mr. De Schryver. Yes, sir.

The Chairman. People were scattering abroad to get away from it, were they?

Mr. De Schryver. Yes, sir, they were.

Mr. Kennedy. Subsequently, you went back into the union?

Mr. De Schryver. Yes, sir, a few months later we returned to the union.

Mr. Kennedy. That would be local 985; is that right?

Mr. De Schryver. I believe so, sir.

Mr. Kennedy. Did you find that Mr. Bufalino and the officials of local 985 were favoring certain operators; was that a complaint that you had?

Mr. De Schryver, I don't think that was an immediate develop-

ment.

Mr. Kennedy. Subsequently, was it?

Mr. De Schryver. I think it was a subsequent development, yes.

Mr. Kennedy. Is that one of the difficulties that you had in operating in Detroit?

Mr. De Schryver. Yes, it was, sir.

Mr. Kennedy. Did you ultimately get out of local 985?

Mr. De Schryver. Yes, sir, we did, in 1953.

Mr. Kennedy. Did your employees form their own independent union at that time?

Mr. De Schryver. Yes, sir, they did. Mr. Kennedy. How long did that last?

Mr. De Schryver. That lasted until we liquidated the business.

Mr. Kennedy. Up until then you had been paying their dues; had you not?

Mr. De Schryver. That is correct.

Mr. Kennedy. And you felt that you didn't want to have any more part of this, and so you put it up to the employees as to whether they wanted to join the union and pay their own dues?

Mr. De Schryver. That is right.

Mr. Kennedy. And they had a meeting and voted to form an independent union; is that right?

Mr. De Schryver. That is correct.

Mr. Kennedy. And they established their own union and they said they did not want to belong to 985?

Mr. DE SCURYVER. That is right.

Mr. Kennedy, And they called it the Michigan Coin Workers Union?

Mr. De Schryver. I believe that is the name of it, sir.

Mr. Kennedy. Which was an independent union!

Mr. De Schryver. Yes, sir.

Mr. Kennedy. How long did that last?

Mr. De Schryver. From 1953 until we sold our business in 1958.

Mr. Kennedy. And you got out of the business at that time?

Mr. De Schryver. That is correct.

Mr. Kennedy. Why did you go out of the business?

Mr. De Schryver. Just a desire to get out of the business, and I had wanted to get out of it for a long time, and I had been developing the present business that I am in over a period of the last 4 or 5 years, and also for our own economic difficulties.

Mr. Kennedy. You felt that you yourself didn't want to have any-

thing more to do with this kind of an operation?

Mr. De Schryver. That is right, sir.

Mr. Kennedy. Now, Mr. Chairman, I have Mr. Presser's testimony here, when he was asked to appear before the Hoffman committee on June 8, 1953, and he was asked a question on page 78 by Mr. McKenna:

I have one question: Did you, Mr. Presser, receive any money from November or December of 1944 from jukebox operators who came from the Detroit area? Answer. I did not.

The Charman. That covers the same area this witness has been testifying about.

Mr. Kennedy. Yes.

The CHARMAN. Did you know the \$5,000 was paid!

Mr. De Schryver. Yes, I paid it to him.

The Chairman. So his statement there couldn't be true.

Mr. Dr. Schryver. No, it could not, sir.

Mr. Kennedy (reading):

Mr. Presser. I received nothing from no one in Detroit or anywhere else.

Mr. McKenna. You didn't receive any compensation at all in connection with the establishment of a union in Detroit?

Mr. Presser, 1 won't say that. I received my expenses from the union after it was established, and 1 think it was something around \$200 or \$300.

Mr. McKenna. You never received any compensation from anybody other than the union?

Answer, No.

The Charman. Did he know you were from the Detroit area!

Mr. De Schryver. Yes, sir, he did.

The CHAIRMAN. And you paid it to Mr. Presser himself!

Mr. De Schryver. That is right, sir.

Mr. Kennedy. So we have all of this involved with Mr. Hoffa and Mr. Presser and then Mr. James, who was kept on the payroll of the union for some 3 or 3½ years, and yet was not working during that period of time.

The Chairman. Is there anything further?

Mr. Kennedy. That is all.

The Charman. Thank you very much.

Call the next witness.

Mr. Kennedy. Mr. Scholle.

The Charman. Mr. Scholle, will you come around, please?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Scholle. I do.

TESTIMONY OF AUGUSTE SCHOLLE

The Chamman. State your name, your place of residence, and your

business or occupation.

Mr. Scholle. My name is Auguste Scholle. I live at 2710 Vincetta, Royal Oak, Mich. I am the Michigan AFL-CIO State president.

The CHAIRMAN. Thank you, sir.

Proceed, Mr. Kennedy.

Mr. Kenniby. You are president of the state council, Michigan Federation of Labor: is that right?

Mr. Scholle. And CIO.

Mr. Kennedy. And how long have you been with the union movement, Mr. Scholle!

Mr. Scholle. Since 1933.

Mr. KENNLDY. And how long have you held this position as head of the AFL-CIO?

Mr. Scholle. Well, only for 1 year, since the merger in February of 1958.

Mr. Kennery. And prior to that, what position did you hold!

Mr. Scholle. Prior to that I was named by John Lewis in 1937 as a regional director of the CIO in northwestern Ohio. I was later transferred to Chicago, and then in 1939 I was brought into Michigan as a regional director.

In 1940 I was elected president of the state CIO, and held both jobs as regional director and president of the State CIO until the merger in 1958, when I was elected to the combined organization's presidency.

Mr. KENNEDY. In your operations in Detroit, did you have any contact or connection with any of the so-called jukebox locals in that

area (

Mr. Schoffe. Yes, I did. As a matter of fact, in 1940, not long after I had come in and assumed the responsibilities as regional director of the organization for Michigan, after getting acquainted with the various local unions over which I had to administer. I learned that there was one that had been, prior to the time I came in there, chartered by the United Radio, Electrical and Machine Workers of America, which I learned was representing the employees of certain organizations that were in the music-box machine operation and what they called at that time the jukebox operators.

Do you want me to go on t

Mr. Kennedy. Yes: would you, please?

Mr. Scholle. Well, not long—I don't know exactly how long it was after I had first learned of the identity of the members of this organization, I learned that they had put into effect a system of putting what they called at the time union labels on each machine that was put in each location, and that their dues, consequently, had been far in excess of the actual number of members that they had.

In other words, they were not collecting a dollar a month dues from men or women as union members, but, as I understood it, and as it was described to me by both officers of the organization at that time and others, they were charging \$1 for a stamp and for the use of the

union label stamp on the machine.

This was followed up very shortly after that by some of these union members picketing places that did not have the union label on the machine. Of course, I learned then that it had to be a certain type of machine as well as a jukebox. When I got this information and had established its veracity, I called the officers of this organization together and told them that, amongst other things, I was responsible for the good name of the organization that I represented there, the CIO, and that we could not tolerate this situation.

I consequently got hold of the national officers of the United Electrical, Radio and Machine Workers, and advised them of the situation, and told them that they should immediately revoke that charter; that we couldn't tolerate this kind of situation in the trade union movement.

Mr. Kennedy. That was Local 973 of the UE, was it not?

Mr. Scholle. I think that is the correct number.

Mr. Kennedy, No. 737.

Mr. Scholle. I wouldn't remember exactly the number, but in any event, shortly thereafter the charter was revoked, and, of course, as far as we were concerned at that period of time, it cleansed the situation. Later on, if you want me to continue-

Mr. Kenneby. Yes; would you, please? Mr. Scholle. I don't know how long it was after that, but I learned again that not identically the same group of people, but for the most part many of them that were associated with it, had blossomed out with another charter unbeknownst to me and the CIO union. time it was the Retail, Wholesale and Department Store Employees Union.

Mr. Kennedy. About 1946 or 1947? Mr. Scholle. That is right. Well, as soon as I learned that they had obtained this charter without my knowledge, naturally I pursued the same course and we again had this charter revoked for the same identical reasons.

I think that there was some slight difference, as I recall it. m~I think that one of the active members of the organization at that time—1 am not sure whether he was an officer, but I think that he was also putting out machines, and the same practice was engaged in where they were collecting dues not off of members, but off of a union label.

Mr. Kenneby. This was a union that existed for the help and

assistance of the employers, rather than the employees?

Mr. Scholle. Well, very definitely. At least that was my reaction

Mr. Kennedy. That was why you took the action against both of these unions at that time?

Mr. Scholle. Well, not only that. But very frankly, it was pursuing a course which, to me, was totally irreconcilable with good union principles. I didn't want any part of anything like that going on in the organization over which I had administrative authority.

Mr. Kennedy. Then you were approached later in 1940—

Mr. Scholle. I don't recall exactly what year it was.

Mr. Kennedy. About 1946 or 1947?

Mr. Scholle. Well, I thought it was the latter part of 1945, but my memory may not be exactly correct in relation to the date. But I

had three different visits from two men who came in and asked that we issue a charter in this area.

On the first visit, they simply came in and inquired as to how much it would cost. I very carefully explained that the fee was very nominal, nothing more than \$25 for the cost of the books and the charter and the other paraphernalia that went along with it.

But when I learned that they were not employees, that they were there representing people who were in the business of distributing jukeboxes. I told them that we never gave a charter or sold a charter to anyone in the business; that they had to have bona fide and legitimate employees who were organized, or who would be willing to be organized, request this kind of charter.

Mr. Kennedy. What kind of people were they?

Mr. Scholle. Well, they were two men. We have tried to remember their names. Unfortunately, no one in the office—I never kept a record of it. It seems to me that their names were quite distinctly Italian as I recall it, and as the others corroborate.

One was a relatively heavy-set fellow, about—1 presume at that time perhaps 40 to 45 years old, blue shirt, gray trousers, dark hair. The other fellow who accompanied him was relatively medium size, about 160 pounds. I would judge that he was about 35. Frankly, they were the kind of people that I didn't think we wanted to have obtain a CIO charter.

Mr. Kennedy. Were they so-called gaugster types, would you say? Mr. Scholle. Well, I would say that they certainly could have been put in that role in Hollywood.

Mr. Kennedy. So they came this first time and you explained to them that a union has to be formed by employees. Then they came

back to see you again?

Mr. Scholle. Yes. On the second visit they came back—they said, they never showed me, but they said they had 65 people signed up, and they were described as "They are all good boys, they are our own

boys."

I presumed that they were salesmen, repairmen, collectors, et cetera. I again advised them very carefully and very patiently that we didn't give charters out to employers; that if they wanted a charter that the employees would have to be called to a meeting by a bona fide representative of our organization; that we would then sit down with them across the table and bargain with them for the employees.

They tried to explain to me that this wouldn't be necessary, that they could get along very well. I was then asked how much a charter would cost, with the intimation that there had to be a price for everything. A fellow reached in his blue silk shirt pocket, rolled out a roll of bills wrapped up with a rubber band, and said, "Here is the downpayment. What else does it take?" He said, "We will take care of you." I said. "That is what I am afraid of."

Mr. Kennedy. Was there any figure mentioned as to how much

they would pay you!

Mr. Scholle. Well, the intimation was that the downpayment would amount to \$10,000. It wasn't exactly stated as such, but they said that there would be 10 grand in it for me.

I told them that—again I tried to carefully explain to them that we just didn't have CIO charters for sale. This pretty much

ended that visit. I don't think that I had satisfactorily explained to them because one fellow seemed very seriously puzzled. He said, "Well, you are the boss, aren't you?" and I said, "Yes, I presume you would assume that. I am the highest authority of the organization in this area," and he said, "Well, then, why can't I buy a charter?"

I tried to tell him again that the charters were not for sale. But I think I failed to convince him because they came back the third time. On their third visit the discussion wasn't quite so pleasant. As a matter of fact, well, there is no use of repeating it here, but I invited

them to get out and stay out and not bother me any more.

Mr. Kennedy. There were very harsh words, were there not!

Mr. Scholle. Well, they insisted that everybody had a price on something. They even intimated that they couldn't understand. I think the one fellow was quite sincere in not being able to understand or at least he appeared that way to me. He couldn't quite understand that anybody wouldn't have some price at which they would be willing to deal.

I tried to convey to them very carefully that this was an impossibility under the structure of our organization, that it couldn't occur. But I guess I wasn't a very good convincer, as far as they were

concerned.

Mr. Kennedy. There wasn't any question that these people were

desperately in want of a charter at that time?

Mr. Scholle. Well, I would say that they wanted a charter badly enough to have paid a very substantial sum of money. I don't know. It just seemed to me that they wanted a charter in the worst possible kind of way.

I have never seen anybody quite so adamant and so arduous in their efforts to obtain something as those fellows were, particularly a CIO charter. You know, a lot of people didn't think they were worth

much at one time.

Mr. Kennedy. Subsequently in Detroit, a charter was issued by the Teamsters, and specifically through the efforts of Mr. Hoffa, for local 985, giving the Teamsters jurisdiction over this. Did you know anything about that?

Mr. Scholle. Well, I learned about it and read about it in the paper. I think this was only about not more than a month after the

last visit they paid me.

Mr. Kennedy. That local 985 charter was issued?

Mr. Scholle. Yes.

The CHARMAN. Did the same people get the charter from Hoffa or from the Teamsters?

Mr. Scholle. Well, Senator——

The Charman. That is, as far as you know?

Mr. Scholle. I couldn't attest to that because I don't know. All I know is that there was a charter issued. I didn't inquire as to their identity.

The Chairman. But the charter was issued for the same purpose

as one was sought from you?

Mr. Scholle. I would naturally assume so.

The Charman. In other words, it did fill that purpose and fill that mission in that area and over that particular jukebox enterprise?

Mr. Scholle. Yes. Yes, very definitely.

The Chairman, So what they didn't get from you, obviously was supplied, a month or so later, by the Teamsters!

Mr. Scholle. That is right.

The Chairman, And whether the same particular individuals secured the charter that contacted you, you don't know.

Mr. Scholle. Well, of course not.

The CHAIRMAN. But the facts did happen. I mean, the reality of the thing materialized shortly afterwards.

Mr. Scholle. Very definitely.

Mr. Kennedy, Subsequently, in later years, specifically in 1950, you were approached again about issuing a charter; is that right!

Mr. Scholle. Yes. I was requested again to issue or have a charter issued to cover this jurisdiction through a fellow that I had not known, who first wrote me a letter from Toledo, Ohio, a fellow by the name of Duck, I believe; Eddie Duck.

As a matter of fact, he wrote me several letters and on one occasion came to the Detroit office to see me. As far as I was able to discern, it seemed to me that he was sincere enough in his desire to establish a wholesome organization, although I have no way of knowing this.

I explained to him in both letters and verbally over long-distance phone on several occasions that we did not have any desire to issue charters to people in this field because of the very bad experiences that

we had previously had in 1940 and 1941 and 1942.

In my discussion of this matter with Allen Haywood, now deceased, who was then the national director of the CIO, the organizational director, he advised me and wrote me a letter which I later sent a copy of to Mr. Duck, explaining that we had similar experiences in Cincinnati, Ohio, and that we under no circumstances would issue another charter in this area.

It seems to me that Mr. Duck had suggested at that time that we have some type of regionwide charter. I recall that what they wanted essentially was a charter that would be broader than one community

and transcend State lines, as a matter of fact.

It seemed to me that they wanted a charter that would cover a geographic area extending from Cincinnati to Detroit, embracing Toledo and Columbus and several other communities in between. But nevertheless, we definitely and positively rejected this application, and from that time on we have heard no more of it except what we have heard about the thing in the newspapers.

Mr. Kennedy. You had some correspondence with Richard Gosser

in connection with Mr. Duck?

Mr. Scholle. Yes. Richard Gosser sent me a letter which simply substantiated our own attitudes, that there was an element of racketeering—well, perhaps that isn't the right word for it. I don't want to try to indict anybody as far as union members were concerned, but that there was a type of activity that obviously was associated with the jukebox industry which certainly was not conducive to building the reputation of organized labor and holding it in good graces with the public. As a consequence, we didn't want to get into the field.

Senator Ervin. In other words, you considered the method of operation which they intended to follow could not be reconciled with sound principles of unionism, did you?

Mr. Scholle. That is right.

The Chairman. I present to you what appears to be a photostatic copy of a letter dated January 19, 1950, from Mr. Gosser to you. Will you examine it and state if you identify it, please, sir?

(The document was handed to the witness.)

Mr. Scholle. Yes; that is the letter.

The CHARMAN. You received that letter from Mr. Gosser?

Mr. Scholle. Yes, I did.

The Charman. It may be made exhibit 75.

(Document referred to was marked exhibit 75 for reference and will be found in the appendix on p. 17692.)

The Chairman. I would like to read an excerpt from it, at least.

Who was Mr. Gosser?

Mr. Scholle. Richard Gosser is the UAW vice president whose home is in Toledo. Ohio, who obviously knew Mr. Duck personally. I have known Mr. Gosser since 1933.

The CHAIRMAN. He says in this letter:

There is no question in my mind that Mr. Eddie Duck is a very honest and sincere fellow. He has put in a lot of hard work with the ClO, but in my opinion this has nothing to do with the ClO entering into the field you speak of in your letter. Most of these men are paid very high and controlled by their boss, who has to be some type of racketeer to stay in business.

Apparently he recognized them for what they were and agreed with you that a charter should not be issued to them; is that correct?

Mr. Scholle. Not only correct, but that corroborates my own opinion of it.

The Charman. I beg your pardon?

Mr. Scholle. I say it is not only correct, but it corroborates my own

reaction to it.

The Chairman. So you submitted it to your higher official, advising him of what you were doing and why you were doing it, and he fully agreed with you?

Mr. Scholle. That is right.

The Charman. And this is what he wrote you in connection therewith?

Mr. Scholle. That is right.

Mr. Kennedy. If you operated in Detroit and found this out in a relatively short period of time, what explanation do you have for your fellow union official, Mr. Hoffa, granting the charter? Answer that one.

Mr. Scholle. Well, I know Jimmy. I have known him for a long time.

There are some people in the trade union movement as leaders who are not dedicated to idealism. The overwhelming majority of them. I believe, are. Some, I believe, are unfortunately the victims of their own fears, for their own economic security, and become fast-buck boys.

Unfortunately, I would assume that temptation was too great for some leaders, and perhaps this was true in his case. I don't know. My own reaction has been that if he issued the charter down there shortly after I was offered some money for it, and he didn't get the money, and he probably has acquired some money, I would assume—I don't know.

I suppose that he didn't care. I don't presume that he is as concerned, well, with trying to keep the organized labor movement's

name clean and wholesome and appealing to the people. I can't give you any other reason. Of course, I can't judge other people because I am not God, either.

Mr. Kennedy. What about Mr. Hoffa placing his wife on the pay-

roll of Jimmy James' union in her maiden name!

Mr. Scholle. Well, I presume that if you are one who is seeking to get all you can for yourself out of any situation in which you are involved, that this would be another course that would feasibly enrich your own pockets, and, consequently, could be easily pursued. I presume that once you start in that sort of direction—I don't know why there should be any particular limitation to it. If you are going to look for ways and means of enhancing your financial situation, I presume that that is about as legitimate as anything could be, getting your wife put on a payroll somewhere. I even understand that it is done in other places.

I am sorry. We can strike that from the record. No aspersions.

The Chairman. That is all right. Let it stay in the record. That is perfectly all right. You expressed what I was thinking.

Are there any further questions?

I just wanted to make this observation:

I don't know you, I have never seen you before and, therefore, in view of your demeanor and manner of testifying, you make a very good impression as an honest, sincere, and devoted man, dedicated to the best ideals and principles of unionism. If I am not mistaken in that judgment of you, I think I can say without any reservations that if all union leaders were of the character and quality that you have displayed here in your testimony this afternoon, there would be very little need, if any, for the work of this committee.

It is tragic, in my judgment, that there are some, as you have pointed out, who pursue a course that reflects upon unionism, which tends to degrade and create disrespect for what ought to be and what is intended by many to be, and should be, an organization with the highest ideals, dedicated to the betterment and to the benefit of

humanity as a whole.

It is tragic. It is terribly regrettable that some people exploit their

fellow man in this fashion solely for self-enrichment.

I commend you highly, sir. I think you are a great credit to the labor movement, based upon your testimony here today.

Mr. Scholle, I certainly appreciate those very kind remarks,

senator.

The Charman, Senator Ervin.

Senator Ervin. I would like to concur in what the chairman has said. Unfortunately, a lot of people have power but do not have enough wisdom to go along with it and enough self-restraint. Power is the most dangerous thing that anybody ever undertakes to handle, and it takes a mighty good man to handle it wisely and properly. I want to commend you for what you have told us and for what you have done.

Mr. Scholle. Thanks very much.

I just want to make this one observation: I think that the overwhelming majority of trade union leaders are idealists, as am I. I admit it. There are some, however, who I, unfortunately, find in many instances I have to apologize for or hope that something can be done by you people to help to eradicate, as far as we are concerned, because the dedicated trade union leaders don't like racketeers in our midst any more than anybody else anywhere in the country.

The CHARMAN. Thank you very much.

The committee will stand in recess until tomorrow morning at 10:30. We will convene in room 3302, New Senate Office Building.

(Memembers of the select committee present at the taking of the

recess were Senators McClellan and Ervin.)

(Whereupon, at 4:10 p.m., the select committee recessed, to reconvene at 10:30 a.m., Wednesday, April 8, 1959, in room 3302, New Senate Office Building.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

WEDNESDAY, APRIL 8, 1959

U.S. SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D.C.

The select committee met at 10:30 a.a., pursuant to Senate Resolution 44, agreed to February 2, 1959, in room 3202, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present : Senator John L. McClellan, Democrat, Arkansas : Senator Karl E. Mundt, Republican, South Dakota : Senator Barry Goldwater, Republican, Arizona : Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Walter R. May, assistant counsel; John P. Constandy, assistant counsel; Arthur G. Kaplan, assistant counsel; Sherman S. Willse, investigator; Ruth Young Watt, chief clerk.

The Charman. The committee will be in order.

(Members of the select committee present at the convening of the session were Senators McClellan and Curtis.)

The Charman. Call the next witness.

Mr. Kennedy. Mr. Chairman, at the hearing yesterday afternoon we went into the operation of Jimmy James, and we also went into the establishment of the Bilvin Distributing Co. We will be going more extensively into that company as the hearings go on, but I would like this morning to put a little bit of its background into the record, and for that purpose I would like to first call a member of the staff, Mr. Arthur Kaplan, to put in the incorporation papers of the Bilvin Distributing Co.

The CHAIRMAN. All right, Mr. Kaplan, will you come around?
Mr. Kennedy. Pardon me, Mr. Chairman. Mr. Walter May will put them in.

The Chairman, Mr. May, have you been previously sworn?

Mr. May. No, Senator.

The CHARMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MAY. I do.

TESTIMONY OF WALTER R. MAY-Resumed

The Charman. Will you state your name and your present employment, please?

Mr. May. Walter R. May, assistant counsel to this committee.

The CHAIRMAN. Proceed.

Mr. Kennedy. Do you have the articles of incorporation of the Bilvin Distributing Co., which Mr. Bufalino was a member of prior to becoming head of local 985 of the Teamsters?

Mr. May. Yes, sir. I have a photostatic copy of those articles.

Mr. Kennedy. Mr. Chairman, these are the papers. The Chairman. You identify these photostatic copies? Mr. May. Yes, sir.

The Charman. They may be made exhibit No. 76. (Documents referred to were marked "Exhibit No. 76" for reference and may be found in the files of the select committee.)

Mr. Kennedy. Now, Mr. May, whom do they show as being the

incorporators of the Bilvin Distributing Co.?

Mr. May. These articles which are dated February 8, 1946, show that the first board of directors consists of William E. Bufalino, Samuel J. Tocco, and John Priziola.

Mr. Kennedy. We have also had the history of the backing of Mr.

Angelo Meli in this company.

Mr. May. Yes, sir.

Mr. Kennedy. We will go more extensively at a later time into the activities of Mr. Meli in connection with the Bilvin Distributing Co.,

as well as certain other people.

But, Mr. Chairman, it shows in those articles of incorporation that Mr. John Priziola was one of the incorporators of the Bilvin Distributing Co. He is of some interest to the committee and I would like to have permission to call him as a witness.

The CHAIRMAN, Proceed. Mr. Kennedy, Mr. Priziola,

The Chairman. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Priziola, I do.

TESTIMONY OF JOHN M. PRIZIOLA, ACCOMPANIED BY COUNSEL, H. CLIFFORD ALLDER

The Chairman. Will you be seated, please.

State your name, your place of residence, and your business or occupation, please.

Mr. Priziola. My name is John Priziola.

The Charman. Let us have a little bit of order. We can hardly hear.

Now let us start again. Will you state your name, your place of residence, and your business or occupation, please.

Mr. Priziola. My name is John Priziola. I live at 1349 Devonshire,

Grosse Pointe Park 30, Michigan.

The CHARMAN. Sir, do you have any business or occupation?

Mr. Prizioa. I decline to answer on the ground my answer might tend to incriminate me.

The Charman. All right. You have counsel, have you?

Mr. Priziola, Yes, sir.

The Charman. Mr. Counsel, identify yourself for the record.

Mr. Allder, H. Clifford Allder, Washington, D.C. The Chairman, All right, Mr. Kennedy. Proceed.

Mr. Kennedy, Mr. Priziola, could you tell us why you became an incorporator of the Bilvin Distributing Co!

Mr. Priziola. I decline to answer on the ground that I might in-

criminate myself.

Mr. Kennedy. Could you tell us what your main source of income was at that time?

Mr. Priziola. I respectfully decline to answer because my answer might tend to incriminate me.

Mr. Kennedy. Could you tell us what your source of income is at the present time?

Mr. Priziola. I respectfully decline to answer on the ground that I

might tend to incriminate myself.

Mr. Kennedy. According to the information we have, you are one of the main traffickers in narcotics in the United States: is that correct?

Mr. Priziola. I respectfully decline to answer on the ground my

answer might tend to incriminate me.

Mr. Kennedy. Mr. Priziola is extremely important in view of the testimony that we had vesterday of the activities of the Bilvin Distributing Co., and Mr. Bufalino, and then Mr. Bufalino taking over local 985 of the Teamsters and still controlling that local, and the fact that there was an effort by certain groups in Detroit to obtain control of the coin-machine industry, particularly the jukeboxes. Mr. Priziola's background and activities play an extremely important role.

I would therefore like to call a representative of the Bureau of

Narcotics to give some background on Mr. Priziola.

Senator Curtis, May I ask Priziola one question first, Mr. Chairman?

The Chairman. Proceed.

Senator Curtis. Mr. Priziola, you have declined to tell us what your business is. I shall not go into that part of it or push that part of it further at this time. But I do want to ask, has any labor organization been connected with or utilized in any way in any phase to make your business operations operate?

Mr. Priziola. I decline to answer on the ground that my answer

might tend to incriminate me, sir.

Senator Curtis. Do you know any union officials?

Mr. Priziola. I decline to answer on the ground that my answer might tend to incriminate me, sir.

Senator Curtis. That is all, Mr. Chairman.

The Charman. Call the next witness. You may remain seated where you are, and you will be further interrogated. Call the next witness.

Mr. Kennedy. Mr. Siragusa.

The Charman. Will you come forward, please?

Would you mind accommodating us by moving over into the other chairs temporarily!

Mr. Allder. Certainly, Mr. Chairman.

The CHARMAN. Thank you very much.

Be seated, Mr. Siragusa. You have not been sworn, have you?

Mr. Siragusa. No, sir.

The Charman. Will you be sworn?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Siragusa, I do.

TESTIMONY OF CHARLES SIRAGUSA

The Charman. State your name, your place of residence, and your

business or occupation.

Mr. Shagusa, My name is Charles Siragusa, S-i-r-a-g-u-s-a, and I am a field supervisor for enforcement, of the U.S. Bureau of Narcotics, in Washington, D.C., and I live at 2905 Farm Road, Alexandria, Va.

The Charman. How long have you been in your present position? Mr. Siragusa. I have been in my present position since last August of 1958, and I have been with the Federal Bureau of Narcotics since 1939, and prior to that 4 years with the Immigration and Naturalization Service.

The Chairman. Thank you very much.

Proceed, Mr. Kennedy.

Mr. Kennedy. You were field supervisor for enforcement since August 1, 1958: is that right?

Mr. Siragusa. Yes, sir.

Mr. Kennedy. And prior to that you were district supervisor of the American Embassy, Rome, Italy, since September of 1951?

Mr. Siragusa, District supervisor with the Bureau of Narcotics.

stationed at the American Embassy.

Mr. Kennedy. And you have operated and made arrests and seizures of narcotics in Italy, France, Switzerland, Germany, Greece, Syria, Turkey, Lebanon, and several other countries; is that right!

Mr. Siragusa. Yes, sir.

Mr. Kennepy. And you worked in a total of 25 different countries!

Mr. Siragusa, Yes, sir.

Mr. Kennedy. In 1948 von worked in Puerto Rico setting up their narcotics squad?

Mr. Shagesa. That is correct.

Mr. Kennedy. On January 23, 1951, you got the Treasury Department's gold medal; is that right?

Mr. Siragusa, Yes, sir.

Mr. Kennery. And in the summer of 1956, the Italian Government made you a knight?

Mr. Shangusa. Yes, sir. Mr. Kennedy. For your services along there lines?

Mr. Shaagusa, Yes, sir. Mr. Kennedy, You are an Italo-American?

Mr. Siragusa, Yes, sir.

Mr. Kennedy, And your parents or grandparents came from Sicily?

Mr. Shragusa. My parents came from Sicily.

Mr. Kennedy. Your parents came from Sicily! Mr. Shragusa. I was born in New York City.

Mr. Kenneby. Now, Mr. Siragusa, in the course of your studies and investigations both here and abroad, do you have any information on

Mr. John Priziola?

Mr. Sirvausy, Yes; we have considerable information in our files pertaining to John Priziola. His most commonly known alias in the underworld is Papa John. He was born in 1893 in Partinico, Sicily, and we consider him to be the head of the Partinico brunch of the Mafia.

The CHARMAN. What branch of the Maiia?

Mr. Siragusa. Partinico.

The Charman. Would you further identify that, please!

Mr. Siragusa, Partinico is a village of perhaps a population of about 35,000 people, approximately 40 miles from Palermo.

The Chairman, From where! Mr. Siragusa, Palermo, Sicily.

Mr. Kennedy. Isn't it correct that Raifaele Quasavano who is now

operating in Detroit also comes from the same town in Italy!

Mr. Shaagusa. He is more commonly known as Jimmy. He was born in Pittsburgh, Pa., but his parents came from Partinico. He is also a member of the Partinico faction of the Mafia.

Mr. Kennery. And he will feature quite prominently in your testi-

mony this morning?

Mr. Shagusa. Yes, sir.

Mr. Kennedy. Would you give us some more of the background of

Priziola !

Mr. Shakusa. Priziola—we consider him to be probably the most important trafficker out of Detroit, among the leading traffickers in the United States. His gang has been supplying outlets in New York City for many years, one of the larger criminal New York City outlets for heroin, received from the Priziola gang.

There is a certain John Ormento, Big John Ormento. He was arrested just last week, incidentally. He has been a fugitive for approximately 1 year. He is a codefendant in the same narcotic conspiracy case recently prosecuted successfully in New York City, in

which Vito Genovese was convicted.

The Charman. Did you work on that case!

Mr. Siragusa. Yes, sir: I worked on that case, and just about every major national and international narcotic trafficker case conducted by my bureau.

The Chairman. Genovese was a witness before this committee.

Mr. Shagusa. No, sir: I was not a——

The Charman. I said Genovese was. Maybe I should qualify that. He was called as a witness. He failed to testify very freely. All right.

Mr. Kennedy. Priziola came to this country at an early age and

was naturalized in Detroit in 1936; is that right!

Mr. Suragusa, Yes, sir.

Mr. Kennedy. He has been arrested a number of times, but his last conviction was 1919; is that correct?

Mr. Siragusa. Yes, sir. He has a total of 20 arrests and three convictions, dating back from 1917. The last one, I believe, was in 1951.

Some of these convictions were two convictions for carrying concealed weapons. He had three other arrests for carrying concealed weapons, one arrest for murder, five for armed robbery, two for prohibition, and three for larceny. One of the larceny charges was theft of whiskey.

Mr. Kennery. What do you think is shown by the fact that he hasn't

been convicted since 1919?

Mr. Smagusa. It shows he is a pretty shrewd individual.

Mr. Kennedy. Because he has been involved in all of these matters? From the records that you have, and the work that you have done, you have established him as a major figure in narcotics in the country?

Mr. Siragusa. Not only a major figure in the narcotics traffic, but his prominence in the underworld first began during prohibition days, possibly even before prohibition days. He was in the bootlegging racket, numbers, gambling.

Mr. Kennedy. Involved with him in the narcotics is who else from

the Detroit area?

Mr. Siragusa. Raffaele Quasarano, Jimmy Quasarano.

Mr. Kennedy. Mr. Chairman, Mr. Siragusa is going on to testify in connection with Mr. Priziola and how he is involved in some of these narcotics rings, as well as Mr. Quasarano, as well as certain other individuals who have featured so far in our hearings or will come up later on in the hearings.

He has prepared, with the staff, a list of the individuals whose names

will arise in the course of the hearing.

The Chairman. Do you have a copy of the list before you that you helped prepare?

Mr. Siragusa. Yes, sir; I have it now.

The Charman. Do you identify it as such?

Mr. Siragusa. Yes, sir.

The Chairman. This list may be made exhibit No. 77, just for reference. It is not regarded as testimony, but just as helpful information as we try to follow the testimony.

(List referred to was marked exhibit No. 77 for reference and may

be found in the files of the Select Committee.)

Mr. Kennedy. In the past there have been two narcotics groups that have been operating in Detroit; is that right?

Mr. Siragusa. Yes; that is correct.

Mr. Kennedy. One was headed by a man by the name of Giuseppe Catalanotte?

Mr. Stragusa. Yes. He is known as "The Old Man," or "Cockeye." He has a defect with one of his eyes.

Mr. Kenneby. His right-hand man was who?

Mr. Siragusa. Paolo Cimino.

Mr. Kennedy. And then in 1953, Catalanotte was convicted on a Federal narcotics charge and deported to Italy?

Mr. Shagusa. Ves. sir; convicted in Detroit, in Federal Court.

Mr. Kennedy. What happened?

Mr. Shagusa. He was convicted. He received a seven-year sentence, I believe, and in lieu of completion of certain of the sentence he was paroled and deported. He was deported to Italy. Then about a year ago he left Italy and went to Canada. He was expelled from Canada. He went to Havana, Cuba, where he is presently living now.

Mr. Kennedy. Who is he down in Cuba with at the present time?

Mr. Siragusa. With a fellow named Onofrio Minaudo.

Mr. Kennedy, Who is he?

Mr. Siragusa, Onofrio Minaudo, alias "Ono", is another racketeer from Detroit. He fled the United States. He left Detroit about 2 years ago to avoid prosecution on an income tax evasion case.

Mr. Kennedy. I would like to ask Mr. Kaplan a question, Mr.

Chairman.

The Chairman. Have you been sworn?

Mr. Kaplan. Yes, sir.

TESTIMONY OF ARTHUR G. KAPLAN—Resumed

Mr. Kennedy, Mr. Kaplan, yesterday Mr. Brilliant testified that when the Bilvin Distributing Co. was set up there were a number of companies that were established which were the operating companies, which were responsible for getting the Wurlitzer machine on location; is that correct?

Mr. Kaplan, Yes, sir.

Mr. Kennedy. And he testified that a number of these companies were controlled or operated by known hoodlums or relatives of known hoodlums in the Detroit area?

Mr. Kaplan. Yes, sir.

Mr. Kennedy. One of the companies which performed this service for the Bilvin Distributing Co. was the Arizona Music Co.; is that correct?

Mr. Kaplan. Yes, sir.

Mr. Kennedy. What do we know about the Arizona Music Co. as

it refers to the testimony of Mr. Siragusa?

Mr. Kaplan. Well, on the 20th day of November 1946, the Arizona Music Co, filed a certificate of copartnership in the county of Wayne, the State of Michigan, and listed their business address as 345 Macomb, Detroit, and the full names of the persons composing said partnership are "Ono" Minaudo and Domenic Maltese.

Mr. Kennedy. This Minaudo is the same Minaudo that has just been testified to that is now down in Havana, Cuba, with Catalanotte, who fled the United States to beat an income tax evasion case; is that

right?

Mr. Siragusa. Yes, sir; the same individual.

Mr. Kennedy. And Minaudo was also convicted in absentia in Italy on various charges, including murder?

Mr. Siragusa. That is correct.

Mr. Kennedy. In 1952 he was convicted with Sam Perrone and others in conspiring to prevent employees of the Detroit, Mich., Stove Co. from joining the UAW-CIO?

Mr. Shagusa. Yes, sir. Mr. Kennedy. Then on July 30, 1953, he was ordered deported on the grounds he entered this country illegally. He is now down in Havana, Cuba; is that right?

Mr. Siragusa. Yes, sir. He was deported from Italy and went

from Italy to Havana.

Mr. Kennedy. The Arizona Music Co., was one of the companies operated by this man, which was handling the distribution of the Wurlitzer machine for the Bilvin Distributing Co.; is that correct? Mr. Kaplan. Yes, sir; it is.

Mr. Kennedy. And we have had some testimony on three or four other companies, and we will put some further records about them

in at a later time.

Mr. Kaplan. We also have information, Mr. Kennedy, that the Arizona Music Co. was purchased, or at least there was a paper purchase of it, by the Meltone Music Co., which was Vincent Meli's company in 1948, and at the time the financial paper to the manufacturers of the jukeboxes were guaranteed by Angelo Meli and Angelo Polizzi.

Mr. Kennedy. Angelo Polizzi is also a well-known figure, is he

Mr. Siragusa. Yes, sir; in Detroit.

Mr. Kennedy. His right-hand man you mentioned earlier was Paolo Cimino!

Mr. Stragusa. Yes, sir; Paolo Cimino. Mr. Kennepy. What happened to him?

Mr. Siragusa. About a year ago we heard that he had been murdered. He has disappeared from the face of the earth. He has a denaturalization-deportation proceeding pending against him with the Department of Justice. The denaturalization proceeding is based on the discovery by my office in Rome of an extensive criminal record in Italy, which fact he withheld at the time of obtaining naturalization papers.

Mr. Kennedy. The other and much larger Detroit narcotics mob

was one headed by Quasarano and Priziola; is that right?

Mr. Siragusa. Yes, sir; that is correct.

Mr. Kennedy. Mr. Kaplan, do we also find that Mr. Quasarano is in one of these companies which handled the machines for the Bilvin Distributing Co.?

Mr. Kaplan, Yes, sir. Mr. Quasarano was associated with Pete

Tocco and Frank Matranga in the Jay-Cee Music Co.

Mr. Kennedy. That is Jay-Cee? Mr. Kaplan. J-a-y C-e-e Music Co. In 1946 he was one of the coplaintiffs along with Carl Diliberto and Vincent Meli, attempting to restrain the AFL Music Maintenance Workers Union, Jimmy James' union, from picketing the locations in which they had put their new Wurlitzer machines.

Mr. Kennedy. Mr. Quasarano is also a close associate of Mr.

Finazzo, is that right, from Detroit?

Mr. Siragusa. Yes, sir; they owned at one time, I don't know if they

still own it, the Motor City Gym in Detroit.

Mr. Kennedy. We have had the testimony already before the committee, Mr. Chairman, of the relationship which existed between Mr. Quasarano and Mr. Finazzo on one hand, and Mr. Hoffa and Mr. Brennan on the other. We also have the testimony that Mr. Quasarano, this major narcotics figure, took a trip to New York with Mr. Owen Bert Brennan, staying in the Hotel Lexington with him at the time that Mr. Brennan was obtaining fights for Mr. Embrel Davidson, the fighter Mr. Hoffa and Mr. Brennan had during the period 1952 and 1953. Telephone calls were made from Mr. Brennan's and Mr. Quasarano's room to Hymic "The Mink" Wallman, who has been indicated in New York for fixing prizefights along with Frankie Carlo, as well as to Al Weil of the International Boxing Club, who was barred as a manager in the State of California, and also to certain narcotics figures.

We had testimony in connection with that last year from a repre-

sentative of the Bureau of Narcoties.

Those are the two big groups that were operating in Detroit.

There was also an operation in St. Louis which has a close connection with these people?

Mr. Siragusa. That is correct.

Mr. Kennedy. Who is head of that?

Mr. Siragusa, Anthony Lopiparo, Anthony Giordano, and Ralph Caleca.

Mr. Kennedy. It was these three individuals who formed the Anthony Novelty Co.; is that right!

Mr. Shagusa, Yes, sir.

Mr. Kennedy. That is one of the big jukebox operations in the city of St. Louis?

Mr. Siragusa. That is correct.

Mr. Kennedy. And these individuals, Mr. Chairman, will also fig-

ure more prominently in our hearings.

Since the time of the forming of the Anthony Novelty Co., Mr. John J. Vitale has become associated with that company; is that right!

Mr. Siragusa. That is correct.

Mr. Kennedy. And Mr. Vitale is also a major underworld figure in the city of St. Louis?

Mr. Siragusa. Yes, he is. He was convicted on a Federal narcotics

violation and served 7 years in the Federal penitentiary.

Mr. Kennedy. Can you give us a little background on Giordano? Mr. Siragusa. He has 17 arrests and 2 convictions, both convictions for concealed weapons. He has been questioned on murder charges.

Mr. Kennedy. What about Lopiparo?

Mr. Siragusa. Lopiparo has been arrested 10 times, 2 convictions, 1 for internal revenue laws and tax evasion. In fact, at the present time I believe he is serving a sentence now. He has also been arrested for violation of the Federal narcotics laws and on murder charges.

Mr. Kennedy. Who was the go-between between the St. Louis group

and the Detroit group?

Mr. Siragusa. Anthony Giordano. I think Anthony Giordano.

Mr. Kennedy. Who was operating in Italy? Mr. Salvatore Vitale? Mr. Siragusa. Salvatore Vitale was operating in Italy.

Mr. Kennedy. Was he operating for the St. Louis group and the Detroit group of Priziola and Quasarano?

Mr. Stractsa. He was servicing both groups with huge quantities of heroin.

Mr. Kennedy. Who was Salvatore Vitale?

Mr. Sirigusa. Salvatore Vitale was convicted in 1937 on a narcotics charge. He served 2 years of his sentence. He was then deported to Italy. He remained in Italy until December of 1951, when he procured an Italian passport and went to Venezuela. From Venezuela he attempted to fly over the United States ostensibly in transit to Italy.

Our information was that he fully intended to debark the airplane somewhere in the United States. So the customs officials and immigration authorities arrested him in February of 1952.

Mr. Kennedy. Did he have a relationship with a man by the name

of Frank Coppola?

Mr. Siragusa. Yes, sir. He and Frank Coppola. Mr. Kennedy. He is known as Three Fingers?

Mr. Siragusa. Three Fingers. He has two fingers missing from one of his hands. He and Frank Coppola knew one another from Detroit in the old days.

Mr. Kennedy. And Coppola had been deported to Italy from the

United States?

Mr. Siragusa. Yes, sir; he was deported.

Mr. Kennedy. And there was a dispute then between Coppola and Vitale?

Mr. Shragusa. There was a dispute in this sense: That Vitale, having preceded Coppola to Italy on a deportation case, had just about taken over the major portion of the narcotic racket in Italy, supplying the St. Louis and Detroit mobs. However Coppola is a little older. His stature in the Mafia is much higher, and he just decided he would take over, so he proceeded to steal customers from Vitale.

Mr. Kennedy. Did Lucky Luciano then try to step in to settle the

dispute?

Mr. Siragusa. Yes. Lucky Luciano thought that despite Coppola's age and prominence in the Mafia, he should not have taken over as much narcotic traffic and territory as he did, and he made known his dissatisfaction to Coppola, and Coppola just told him to mind his own business.

Mr. Kennedy. Who was the one of this group that was supplying

Priziola and Quasarano?

Mr. Siragusa. Both. Mr. Kennedy. Both of them?

Mr. Siragusa. Salvatore Vitale used to supply them. One of his favorite tricks—he had many methods of smuggling heroin in to the United States concealed in trunks, carried by Italian immigrants, given to Italian seamen. But the cutest one was the one where he had it shipped to Detroit concealed in legitimate shipments of sardines, Italian sardines.

Mr. Kennedy. What company were they handled through in

Detroit?

Mr. Shagusa. It was handled through the Peter Gaudino Importing Co. in Detroit.

Mr. Kennedy. Peter Gaudino was the owner of the firm. Was he a close associate of Priziola and Quasarano?

Mr. Siragusa. Yes; they have known each other for years.

Mr. Kennedy. This is right near a so-called fish store that is owned by a nephew of Angelo Meli; is that correct?

Mr. Siragusa, Yes; Peter Tocco,

Mr. Kennedy. Did Angelo Meli play any role in this operation? Mr. Shragusa. Well, he did in this sense: Shortly after the war, when the narcotics traffic was being reorganized and put on a better business status, so to speak, the New York mobs were looking for direct outlets. John Ormento came to Detroit.

Mr. Kennedy. John Ormento has just been picked up; is that right? Mr. Siragusa. Just this last week; yes. Big John Ormento has several convictions for narcotics. I know him personally John Ormento went to Detroit, and Angelo Meli gave a banquet in the Bowery Night Club in Hamtramck, Mich. Ormento was the guest of honor. At that time, Angelo Meli, who knew Ormento, introduced Ormento to Priziola and Quasarano. The purpose of the introduction was to set up this nareotics business.

Mr. Kennedy. Prior to that, what had been the theory of the Bureau of Narcotics as to how the narcotics had been handled by

this group in New York?

Mr. Siragusa. Well, prior to that time, actually up until about 1949-50, we had assumed that just about all of the heroin smuggled into the east coast of the United States was done at the express orders of the New York mobs. It wasn't until, as I say, about 1949-50 that we realized some of the larger New York mobs were being supplied by Detroit and St. Louis gangs.

Mr. Kennedy. And this was coming down from Windsor into

Detroit ; is that right !

Mr. Siragusa, Not necessarily. It would go, as I say, when it was shipped in these sardine shipments, to land right smack in Detroit, and from Detroit it was carried to New York. Sometimes persons from New York would come out to pick it up.

Mr. Kennedy. So it would appear from your testimony that Angelo Meli, who, again, Mr. Chairman, was another backer of the Bilvin Distibuting Co., played a major role in establishing the liaison between the Detroit group that were importing narcotics and the New York group of John Ormento; is that right?

Mr. Siragusa. In addition to this specific introduction, we have had considerable information in our files that in the past Angelo

Meli has financed these narcotics operations.

Mr. Kennedy. Do you have any specific instances where narcotics have been sent to Mr. Priziola and Mr. Quasarano?

Mr. Siragusa. We have this seizure we made in 1952.

Mr. Kennedy. Could you give us or relate to the committee what occurred and what role Mr. Priziola and Mr. Quasarano played in this seizure of, I believe, some \$80,000 worth of heroin; is that right?

Mr. Stragusa. Yes, sir.

The Chairman. Are you speaking about the witness here?

Mr. Siragusa. Of the witness here? Yes, sir.

There were two seizures actually made in Italy. I will try to give the account chronologically.

That was in April 1951, working with the Italian police. arrested a Frank Callace, "Chick 99" as he is better known.

Mr. Kennedy. What is that?

Mr. Siragusa, "Chick 99." Chick is the American sound for "Cheech" and "Cheech" is Sicilian for Frank. In addition, the appellation of the "99" denotes that he came from 99th Street. I used to follow him around quite a bit in New York in the old days, 99th Street and Second Avenue. He has been convicted for narcotics charges, but he fled the United States to beat a violation of parole on a narcotics offense.

Mr. Kennedy So he was arrested in Italy; is that right?

Mr. Stragusa. He was arrested, yes, sir, in 1951, I believe.

Mr. Kennedy. Would you relate how that ties in to Mr. Priziola? Mr. Siragusa. He was arrested, and so were many others. Among the suspect sources of supply was a man named Salvatore Vitale. Salvatore Vitale was picked up for questioning by the Italian police, but released for insufficient evidence.

At that time of his arrest and questioning, they found a letter on

Salvatore Vitale from Priziola.

Mr. Kennedy. This witness here?

Mr. Siragusa. Yes, sir. In fact, the letter was on his stationery, on printed stationery from Priziola. I even think it is his current address, 1349 Devonshire.

The Charman. I hand you here what purports to be a photostatic copy of the letter to which you have referred. Will you examine

it and state if you identify it?

(The document was handed to the witness.)

Mr. Siragusa. Yes, sir; this is the letter. This is a photocopy of the letter. In fact, the name of the Italian police official who seized this letter appears both printed and in longhand at the top of the

The CHAIRMAN. The letter may be made exhibit 78.

(Letter referred to was marked "Exhibit 78" for reference and may be found in the files of the select committee.)

The Chairman. I would like to present the letter now to Mr.

Priziola.

Will you examine the letter, Mr. Priziola, and state if you identify it, the letter that has been made exhibit 77?

(The document was handed to the witness.) (The witness conferred with his counsel.)

The CHAIRMAN. Look at the signature on it. Do you identify that letter as a letter written by you and as having your signature?

Mr. Priziola. I respectfully decline to answer because I might

tend to incriminate myself.

The Chairman. I haven't read the letter. I don't know whether it would incriminate you or not. You say if you answered truthfully to that letter, that a truthful answer under oath might tend to incriminate you?

Mr. Priziola. Yes, I do.

The Charman. All right. Let's see the letter.

Mr. Kennedy. This letter relates to—Mr. Siragusa, this relates to efforts by Mr. Vitale to return to the United States, does it not?

Mr. Siragusa. From the conventional language used. But we interpret it as meaning that Vitale is impatient, he wants to return to the United States, and that the tenor of Priziola's letter is, "Don't be impatient, be calm, let's wait until the expiration date." As far as the expiration date referred to, we would not know, nnless we had the individuals.

Salvatore Vitale himself was questioned at the time the letter was received, and all he would say is that it did relate to his efforts to return to the United States. When questioned by the Italian police as to whether these efforts were to be legal or illicit, he wouldn't state. But the obvious inference is that the reentry was going to be illegal.

Mr. Kennedy, Could you tell us about that, Mr. Priziola! You wrote the letter!

Mr. Priziola. I decline to answer on the ground it might tend to incriminate myself.

Senator Curris. Mr. Chairman—

The Chairman. Senator Curtis?

Senator Curis. I would like to ask this witness this question: How big, dollarwise, is the narcotics business? Do you have a rough estimate of what transpires a year?

Mr. Siragusa. In terms of money?

Senator Curris, Yes.

Mr. Shragusa, Well, I think that one of the best estimates I can give is the one often quoted by my boss, Commissioner Anslinger. He says that in New York City alone, I believe, there is a total take of about \$200 million a year annually. This take is not only narcotics trafficking, but other rackets.

Senator Curris. Do you have a rough estimate of what it amounts

to in the whole country or worldwide?

Mr. Siragusa. Well, in the whole country I guess it is—I don't know. Maybe \$50 million or \$100 million. You have to take into account many considerations, the value of the merchandise at the wholesale level and down to retail level; the amount of money it costs society to enforce the laws against these racketeers; the moneys spent in their upkeep in penitentiaries.

I don't imagine that anyone has ever made a thorough study of it

because it would be quite difficult.

Senator Curus. It would depend on definition?

Mr. Siragusa. Yes, sir.

Senator Curts. How many addicts are added to the list of people who are addicted to drugs per year? That is, in the United States?

Mr. Siragusa. As of about 6 years ago, we started an accurate compilation of statistics regarding addicts, and for the year 1958 it is 45,000-some-odd number in the United States.

Senator Curtis. That is not new ones?

Mr. Siragusa. Of those, some are new. Some are recidivous.

Senator Curris. But do you have even a guess as to how many new ones?

Mr. Stragusa. Well, I would have to hazard a guess, because I have been out of the country, like I say, and I am not too familiar offhand with statistics in America. But I would say of the 45,000, maybe we might have some 2,000 new ones a year.

Senator Curtis. And how many of those are young people?

Mr. Siragusa. There is a portion, I think it is 2 percent or maybe 1 percent of persons under 18, and maybe 10 percent of persons from 18, let's say, to 21. The biggest bulk are between the ages of 25 and 35.

Senator Curtis. So a substantial portion of them are below 35?

Mr. Siragusa. Yes, sir.

Senator Curtis. What type of businesses are quite often used as a

front for carrying on this illicit narcotics trade?

Mr. Siragusa. Well, our files show that persons who are now in the narcotics racket and persons who have been in it in the sense that their activity was much greater at one time, perhaps, than it is today,

but it just about represents every legitimate business in the United States today.

Senator Curtis. Such as what?

Mr. Siragusa. Well, I mean labor racketeering. Some of the persons who have been called by your committee have been prime suspects with us for years. In the entertainment racket, jukeboxes, the all-night clubs, horse races, tracks, labor and management consultant

Senator Curris. In other words, some of the people that you have followed for years with reason to believe and know of their relationship, at least with the narcotics traffic, have gone in and exploited the union movement?

Mr. Siragusa. Absolutely. Absolutely.

Senator Curtis. That would give them a position and a respectability and an alleged source of income to conceal their other income, would it?

Mr. Siragusa. Besides putting an effective stranglehold on the

particular business involved.

Senator Curtis. This committee also has an interest in it in this regard, that some of these businesses, such as jukeboxes and so on, in some instances, their racketeering practices are enforced by exploiting the union idea or union organization, aren't they?

Mr. Siragusa. Yes, sir.

Senator, Curtis. That is all.

Mr. Kennedy. Now, other than finding the letter from Mr. Priziola to Mr. Vitale, in connection with Mr. Vitale's operations when he was arrested in Italy at this time, do you have other evidence showing Mr. Priziola and Mr. Quasarano's participation in this particular effort to send narcotics to this country?

Mr. Siragusa, Yes, sir.

In the first seizure I mentioned, it was in April of 1951, and I

would like to precede that.

In May of 1951, rather, Quasarano came over to Italy and he spoke to Salvatore Vitale, and Vitale told him that things were too hot to arrange future narcotics shipments at that time. So Quasarano returned to America.

Mr. Kennedy. When was that?

Mr. Siragusa. That was in May of 1951.

Mr. Kennedy. And prior to that, in February of 1951, Cimino and Giordano of St. Louis, had made a trip to see Mr. Vitale?

Mr. Siragusa. Yes, sir.

Mr. Kennedy. And not finding him at that time, they had returned to the United States?

Mr. Shagusa. Yes, sir, they did. Mr. Kennedy. Then Quasarano came over and he made the con-

tact but was not able to make any arrangements at that time?

Mr. Shragusa. He made no arrangements with Salvatore Vitale, but we believe he did make arrangements for a future delivery with Frank Coppola.

Mr. Kennedy. Would you relate what happened and what

occurred!

Mr. Siragusa, Yes.

In February of 1952, Anthony Giordano came over to Italy and he was over there in Rome, and I followed him around with the Italian police and then he left. Things were too hot for him.

Along about March 18, I believe it was, March 18 that same year, in 1952, we got information that a certain movement of narcotics would take place from Rome down to southern Italy. We traced this trunk to the town of Alcamo, which is close to Portonico, always This trunk was seized when it was picked up by inside Sicily. Seratino Mancuso and another man. This trunk contained a bunch of old clothing, but in the sides and bottom of this trunk we found 6 kilograms of pure heroin. In fact, the builder of the trunk himself was arrested and he confessed what was obvious, namely, that this trunk had been built around the 6 kilograms of heroin and not that the heroin had been put in a previously fabricated trunk.

Mr. Kennedy. To whom was this trunk to be sent? Mr. Siragusa. This trunk, according to our information, was destined for Priziola and Quasarano, and it was to be carried to the United States. Their intention at the time was to use an immigrant, either a suspecting or unsuspecting Italian immigrant.

Mr. Kennedy. This was the so-called "green trunk"; is that right?

Mr. Siragusa. Yes, sir. Mr. Kennedy. Then following the seizure of the trunk which was destined for Mr. Priziola and Quasarano and contained the heroin,

first what would be the value of the heroin?

Mr. Siragusa. At that time a kilogram of heroin, delivery c.o.d. in Italy, would be about \$3,000, and delivery in the United States would be maybe \$5,000. Then wholesale for about \$7,000, and today the prices have gone up.

Mr. Kennedy. Then what happens to it after that?

Mr. Siragusa. Well, the smuggler, not necessarily the person who carries the thing, but we call the smuggler the man responsible for having the stuff come into the country, he then wholesales it. Today the going rate is \$12,000.

Mr. Kennedy. Now, following the seizure of that heroin, were

there further arrests and further investigations made?

Mr. Siragusa. Yes, there were.

Mr. Kennedy. Now, would you relate what happened? Mr. Siragusa. We seized a trunk and many houses were searched. In fact, I should interject at this time that there had been searches made before this particular seizure, in Angio, which is about 15 miles from Rome. As a result of these combined searches, we found many address books, names and addresses, and most of these papers that we seized came from Frank Coppola, and he had the Who's Who of American gangsterism among all of his notes. He can't read or write.

Among some of his papers we found a piece of stationery, the same stationery that Priziola wrote the letter to Salvatore Vitale, and on that was listed the names of a lot of gangsters in America, Detroit, and St. Louis, and New York City.

Mr. Kennedy. This was on Priziola's stationery?

Mr. Siragusa. Yes, sir. And in addition to names of persons, there were names of companies, and I remember the name of Anthony Novelty Co.

Mr. Kennedy. That is the Anthony Novelty which is the jukebox company in St. Louis, which in turn is run by these four individuals now, who are some of the leading narcotics people in St. Louis?

Mr. Siragusa. Yes, that is Giordano, Lopiparo, and Caleca.

Mr. Kennedy. And John Vitale?

Mr. Siragusa. Yes, sir.

Mr. Kennedy. And also you made a search for Coppola; is that

right?

Mr. Siragusa. We didn't actually. When this trunk was seized from Mancuso and his brother, Frank Coppola heard of our approach and he just beat it, and it wasn't until about a year and a half later that he was arrested by the Italian police. I happened to find out where he was hiding out, and I gave the information to the Italian police and they arrested him.

During the time of the issuance of the fugitive warrant in connection with the narcotics case, and the time he was arrested a year and a half later, he had committed two kidnapings and two murders.

Mr. Kennedy. Two kidnapings in Sicily?

Mr. Siragusa. And two murders. And one of the fellows he kidnaped was one of the wealthiest landowners in Sicily, in Palermo, and they took this old man and kidnaped him. He happened to be walking with his little 10-year old nephew at the time, and so these bungling kidnapers kidnaped the boy, too, and they kept him hostage in some neighboring shack just outside of Palermo. A couple of his henchmen were watching this shack, and even the mafia of Sicily, in Palermo, took a particular dislike to the fact that this little boy was kidnaped, and the word got out that they just had to forget to wait for the ransom money and the old man and his nephew were released.

As a result of this bungling, one of the two kidnapers was knocked

off by, or Coppola had him murdered.

Mr. Kenneby. There were indictments and arrests and they were followed by indictments; is that right?

Mr. Siragusa. On the narcotics case, yes, there was an indictment. Mr. Kennedy. Were there any Americans indicted in connection

with that?

Mr. Siragusa. Yes. Let me see. We had the Mancuso brothers, but they lost their American citizenship so they are not Americans. But we had Raffaele Quasarano, John Priziola, and he was indicted, and so was Peter Guadino indicted, and Paul Cimino. Of the four I have just mentioned, only Paul Cimino made the mistake of coming back to Italy, and he got arrested for that. He was released after 4 or 5 months, but within 3 months I think of the return of this indictment in Federal court, the Italian anthorities dismissed the charges against Priziola and Quasarano and Guadino thinking that they would never return to Italy.

Mr. Kennedy. But they were only dismissed on account of the

fact that they couldn't get them back to Italy; is that correct?

Mr. Siragusa. Yes.

Mr. Kennedy. So that there was sufficient evidence or there was felt to be sufficient evidence by the Italian authorities to indict Priziola and Quasarano in connection with this importation of narcotics?

Mr. Siragusa. Yes, sir.

Mr. Kennedy. Now, were there any further ramifications to this

Mr. Siragusa. In what particular do you mean? Tied in with this narrative of kidnaping and dope peddling worldwide, just about, there is another interesting disappearance-murder.

Salvatore Vitale, when he was in Partinico, sent a load of heroin, I believe it was about 12 or 14 kilograms of heroin, to Priziola and

Quasarano in Detroit.

Mr. Kennedy. When was this?

Mr. Siragusa. This was about 1951. The manner of this shipment, we don't know just how it was shipped, but when it arrived Priziola and Quasarano discovered to their dismay that this heroin was adulterated.

Incidentally, in addition to this information that I received about this particular disappearance-murder, it was corroborated to me as recently as January of 1957 by Vitale's son-in-law, who told me the story.

To get back to the story, this heroin was highly adulterated and Priziola and Quasarano obviously complained they were being

cheated.

Vitale said he wasn't the cheat, that Priziola and Quasarano were the dishonest crooks.

So they had this out by correspondence and by emissaries going on for some time. One of the first efforts at conciliation took place, according to this son-in-law of Vitale, in 1951. They held one of their typical Mafia meetings in Detroit at which the accused, Quasarano and Priziola, were allegedly present. Vitale was not present; he was in Italy.

But I believe that a proxy vote was given to one of his hoodlum associates in Detroit. As a result of this meeting, Priziola and Quasarano were told that they had to pay up. The price was

\$80,000. That was the price for the kilograms of heroin.

Priziola sort of resigned himself to paying this money. Quasarano, instead, he was more adamant, and he said he wasn't about to pay any money on this.

It wasn't until 1955 that the first payment of \$20,000 was made. This was made in San Diego, Calif., to Vitale, Salvatore Vitale, by

The Chairman. You are talking about this man sitting here as a witness; Priziola?

Mr. Siragusa. Yes, sir. This man.

The CHAIRMAN. He paid the \$20,000?

Mr. Siragusa. Yes, sir.

The CHARMAN. How about that? Is that right?

TESTIMONY OF JOHN M. PRIZIOLA, ACCOMPANIED BY COUNSEL, H. CLIFFORD ALLDER-Resumed

Mr. Priziola. I decline to answer on the ground I might incriminate myself.

The Chairman. Has the witness testified to anything about you

that isn't true?

Mr. Priziola. I decline to answer on the ground I might incriminate myself.

The CHARMAN. Proceed.

Mr. Kennedy. Will you proceed?

TESTIMONY OF CHARLES SIRAGUSA—Resumed

Mr. Siragusa. Vitale had been in Italy up until 1952, December of 1952, and when he came back to America he was arrested in San Pedro, Calif., and taken immediately to Fort Leavenworth to serve the balance of his original 13-year sentence, since his presence in

Italy was a violation of parole.

He managed to appeal the case on the grounds that the original guilty plea was made because of ignorance of the English language, despite the fact he had resided in America for quite some time. So this case was pending and I guess it might not be pending now since it has been dismissed based on the fact that Vitale isn't around to support his own appeal.

Anyway, in 1955, approximately, he was released from Fort Leavenworth on the basis of this appeal and he went to San Diego where he owns three or four bars run by his brothers-in-law, Gasper and Joseph Matrango. Joseph Matrango is married to Mr. Priziola's

daughter.

Right after his reestablishment in San Diego, Vitale received visits from a bunch of hoodlums, not only Quasarano and Priziola and Frank Lo Medico, and he is a gangster from Detroit who divides his time between Italy and Detroit. John Ormento came out and paid his respects to Vitale, and so did Frank Livorci, another narcotics trafficker from New York City.

After these initial meetings, as I said, Mr. Priziola paid \$20,000. Joseph Matrango then tried to prevail upon his father-in-law to pay

up the remaining \$60,000 on this narcotics debt. In fact, Frank LoMedico tried to throw some water on the boiling fire that was raging between Priziola and Quasarano on the one hand, and Salvatore Vitale.

Vitale was determined to get back his money. He told his son-inlaw that if he didn't get back his money, as a last resort he would have

Priziola and Quasarano killed.

So the son-in-law said that Vitale claimed that he was going in April of 1956 to Detroit to have a final bout with Priziola and Quasarano.

That was about the \$60,000.

He also told his wife and his son-in-law DiGregorio to meet him in Italy. He was going to Detroit and collect his money, and go into Canada and make arrangements to get himself clandestinely taken to France, and from France he was going to collect another outstanding debt, narcotic debt, and then from France go to Italy.

He made a telephone call from Detroit to his wife in San Diego, saying he would meet them in about a month or so, and that is the last

he was ever heard of.

Mr. Kennedy. Did the son-in-law tell you what he felt had

happened?

Mr. Siragusa. The son-in-law told me that this thing was beginning to get quite annoying to big shots in the matia, with threats of murder back and forth, and he thinks, the son-in-law, that Quasarano and Priziola had this guy murdered because if they did not perhaps at a subsequent matia hearing the decision might be made to knock off Priziola and Quasarano themselves.

Mr. Kennedy. It was his understanding, then, that Priziola and

Quasarano had Vitale murdered?

Mr. Shagusa. Yes, and in fact he told me that he went to Joseph Matrango, who is Priziola's son-in-law, and he said, "I think that the least these characters can do after murdering the old man is to give the \$60,000 to his widow." Matrango told his son-in-law to mind his own business.

Mr. Kennedy. Do you know what happened to Mr. Vitale, Mr.

Priziola!

TESTIMONY OF JOHN M. PRIZIOLA, ACCOMPANIED BY COUNSEL, H. CLIFFORD ALLDER—Resumed

Mr. Priziola. I am sorry, Your Honor, I have to take the Fifth.

The Chairman. I can't understand you.

Mr. Priziola. I might incriminate myself.

The CHAIRMAN. Will you say it again?

Mr. Priziola. I decline to answer on the ground that I might incriminate myself.

The CHAIRMAN. Proceed.

Mr. Kennedy. I believe that is the whole situation, Mr. Chairman. I think the importance of course is that these two major narcotics figures, identified as such, were the ones behind Mr. Bufalino's being established in the jukebox business in Detroit. There was then the dispute between these gangsters and Jimmy James, and Jimmy James ultimately turned the union over to Bufalino when Bufalino received from Jimmy Hoffa the Teamsters Union charter.

It shows once again the close relationship of not only gangsters but the lowest type of gangsters, those dealing in narcotics, being interested in certain elements in the Teamsters Union, namely in this

case, Mr. Bufalino.

The Chairman. Are there any further questions?

Senator Curtis, do you have any questions!

Senator Curtis. I have no questions.

The Chairman. Do you have any comment you want to make, Mr. Priziola?

Mr. Priziola. I decline to answer.

The Chairman. You don't have to decline now. I asked you if you wanted to make any comment. You can say "yes" or "no" without incriminating yourself, can't you!

Mr. Allder. He said "no," sir.

The Chairman. You don't want to make any comment?

Mr. Priziola. No, sir.

The Chairman. This is pretty ugly testimony against you here this morning. Are you going to let the record stand like that?

Mr. Priziola. I decline.

The CHAIRMAN. You decline to change the record and you will let it stand; is that right?

Mr. Priziola. I decline to answer on the ground it might incrimi-

nate me.

The Chairman. We are going to let the record stand whether you answer or not.

Proceed, Mr. Kennedy; call the next witness.

Mr. Kennedy. Just on Mr. Priziola, I had one other question.

Mr. Priziola, you also were in the Jay-Cee Music Co., were you not? Mr. Priziola. I respectfully decline to answer because I might incriminate myself.

Mr. Kennedy. In December 31, 1949, you bought your son-in-law's

interest, Frank Matrango; is that right?

Mr. Priziola. I decline to answer.

Mr. Kennedy. And the other partners in that enterprise were Peter Tocco, the son-in-law, Michael Polizzi, and Raffaele Quasarano.

Mr. Priziola. I respectfully decline to answer because I might

incriminate myself.

Mr. Kennedy. And the profits of the company were divided between you, Priziola receiving 50 percent, Quasarano 25 percent, Tocco 12½ percent, and Polizzi 12½ percent; is that right?

Mr. Priziola. I decline to answer.

Mr. Kennedy. You disposed of your interest in 1952?

Mr. Priziola. I decline to answer on the ground I might incrimi-

nate myself.

Mr. Kennedy. Now, also, you had an interest, did you not, in the Jon-Car Homes, also known as the Modern Craft Home Building Co., in Detroit, Mich.?

Mr. Priziola. I decline to answer on the ground I might incrimi-

nate myself.

Mr. Kennedy. It was used by you in 1952 to construct houses in East Detroit; is that right?

Mr. Priziola. I decline to answer.

Mr. Kennedy. And you filed a return under the name "Modern Craft Home Building Co."?

Mr. Priziola. I decline to answer that.

Mr. Kennedy. With you and Mr. Carty Demonico as partners; is that right?

Mr. Priziola. I decline to answer on the ground I might incrimi-

nate myself.

Mr. Kennedy. This partnership was formed in March of 1953. Herbert Grosberg, certified public accountant, associated with the Teamsters Union, and George Fitzgerald, who is the attorney for Mr. Hoffa and the Teamsters, were the accountant and the attorney respectively for this company; is that right?

Mr. Priziola. I decline to answer because I might incriminate

myself.

Mr. Kennedy. Also you had an interest in a company called the Modern Craft Homes, Inc., a corporation that was first organized in 1952; is that right?

Mr. Priziola. I decline to answer on the ground my answer might

tend to incriminate myself.

Mr. Kennedy. With yourself as president and your wife as vice president and treasurer; is that right?

Mr. Priziola. I decline to answer.

Mr. Kennedy. And also the Modern Craft Home Building Co., which was a partnership.

Mr. Priziola. I decline to answer.

Mr. Kennedy. Until 1953. And George Fitzgerald was the attorney for both of those companies, was he not?

Mr. Priziola. I decline to answer.

Mr. Kennedy. That is all, Mr. Chairman.

The CHAIRMAN. You may stand aside.

(Members of the select committee present at this point in the proceedings were Senators McClellan and Curtis.)

The Chairman. Call the next witness.

Mr. Kennedy. I hope we can get through two witnesses this morning, Mr. Chairman.

Mr. Morris Goldman.

The CHAIRMAN. Mr. Goldman.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Goldman. I do.

TESTIMONY OF MORRIS GOLDMAN

The Charman. State your name, your place of residence, and your business or occupation.

Mr. Goldman. I am self-employed. I operate a jukebox route. I live at 24031 Seneca, Oak Park, Mich.

The Chairman. Do you waive counsel?

Mr. Goldman. I do.

The CHAIRMAN. Proceed.

Mr. Kennedy. Mr. Goldman, you have not been well, and if you feel ill during the course of the interrogation, will you let us know? Mr. Goldman. I am OK, thank you.

Mr. Kennedy. You have been a jukebox operator in Detroit since

about 1940; is that right?

Mr. Goldman. That is right.

Mr. Kennedy. And you were president of the operators association from 1947 to 1953?

Mr. Goldman. That is right.

Mr. Kennedy. During the period 1943-44, there had been a lot of location jumping and the industry was having a difficult time in the city of Detroit?

Mr. Goldman. That is right.

Mr. Kennedy. And there was a meeting of the operators association called in late 1944 or 1945; is that right?

Mr. Goldman. 1944-45.

Mr. Kennedy. That was to see if you could affiliate with some union which would give stability to the industry?

Mr. Goldman. We wanted some way of getting some stability in

our industry.

Mr. Kennedy. And you had this meeting at the Detroiter Hotel; is that right?

Mr. Goldman. That is right.

Mr. Kennedy. And among those that attended was Mr. Victor DeSchryver, Joe Brilliant, Sam "Black Shirt" Ciamerataro, who were fellow association members; is that right?

Mr. Goldman. That is right.

Mr. Kennedy. And also present was Mr. William Presser?

Mr. Goldman. That is right.

Mr. Kennedy. What was he doing there?

Mr. Goldman. He was invited from Cleveland to help us get started in the union so that we could have union affiliation in the city.

Mr. Kennepy. He was brought up from Cleveland for that purpose?

Mr. Goldman. That is right.

Mr. Kennedy. He was going to tell you or show you how a union could operate in order to act sort of as the enforcement arm for the

Mr. Goldman. That is correct.

Mr. Kennedy. Did Mr. Presser bring in an individual to handle this for you in Detroit?

Mr. Goldman. That is right.

Mr. Kennedy. Who did he bring?

Mr. Goldman. He brought in Bill Bufalino. Mr. Kennedy. Initially who did he bring in?

Mr. Goldman. He brought in Jimmy James. Bufalino came in later.

Mr. Kennedy. Mr. Presser at the first meeting brought in Jimmy James; is that right?

Mr. Goldman. That is right.

Mr. Kennedy. He was made head of the union?

Mr. Goldman. That is right.

Mr. Kennedy. Did Mr. Presser charge for the service of telling you how to set this union up and bringing Mr. James in?

Mr. Goldman. Well, the board members raised \$5,000. Mr. Kennedy. Did you contribute to that?

Mr. Goldman. Yes, I contributed a check of \$600. Mr. Kennedy. That was for the payment to Mr. Presser?

Mr. Goldman. Where the money went, we don't know. It was part of the money that went.

Mr. Kennedy. My question was: Was that for the payment to Mr. Presser?

Mr. Goldman. That is right.

Mr. Kennedy. He had requested some \$5,000; is that right?

Mr. Goldman. That is right.

Mr. Kennedy. The money was ultimately turned over to Mr. De Schryver!

Mr. Goldman. That is right.

Mr. Kennedy. Mr. DeSchryver testified yesterday that he, in turn, turned the money over to Mr. Presser.

Mr. Goldman. That is right.

Mr. Kennedy. What was the purpose of the money? Why was the

payment made?

Mr. Goldman. The payment was made to help us get a union into Detroit, to start up a charter and become affiliated with the union. We had no union at that time.

Mr. Kennedy. Why was it necessary to make the payment to Mr.

Presser? Wasn't it possible to do it yourselves?

Mr. Goldman. We didn't know how. We didn't know of any method to get it started. We felt that was a copy of one that was at Cleveland at the time.

Mr. Kennedy. Did you know at the time that Mr. Presser was an official of the IBEW?

Mr. Goldman. At that time I did not know.

Mr. Kennedy. But the result was that a Music Maintenance Workers Local 23814 was formed with Jimmy James as the business agent; is that right?

Mr. Goldman. That is right. Mr. Kennedy. The association signed a master contract with the union calling for dues of 50 cents per month per machine?

Mr. Goldman. Correct.

Mr. Kennedy. And it did not matter how many men were on the payroll?

Mr Goldman. It made no difference.

Mr. Kennedy. The men were not consulted about it?

Mr. Goldman. They were not.

Senator Curtis. May I ask this question right there: This wasn't a union in the ordinary sense where employees organized to bargain collectively with employers, was it?

Mr. Goldman. We bargained as a blanket contract for our em-

ployees, as well as for ourselves, being workmen on the jukeboxes. Senator Curus. But employers themselves joined the union, didn't

Mr. Goldman. That is right.

Senator Curtis. And part of their payment was based on the number of machines they operated?

Mr. Goldman. At that time, yes.

Senator Curits. In other words, the union idea was used as a control measure in your machine operations?

Mr. Goldman. That is right. Senator Curns. That is all.

Mr. Kennedy. This union-association tie-up worked well until another group came into the field in the city of Detroit?

Mr. Goldman. That is right.

Mr. Kennedy. What was this group?

Mr. Goldman. That was the Bilvin Distributing Co. Mr. Kennedy. Who did you understand was back of the Bilvin Distributing Co.

Mr. Goldman. We understood it was the Meli group.

Mr. Kennedy. When you talk about the Meli group, you are speaking about Angelo Meli?

Mr. GOLDMAN. Angelo Meli; that is right.

Mr. Kennedy. Who else did you understand was associated with Angelo Meli?

Mr. Goldman, Bill Bufalino.

Mr. Kennedy. And he is married to the niece of Angelo Meli? Mr. Goldman. That I don't know.

Mr. Kennedy. And they established some four or five operating companies; is that right?

Mr. Goldman. That is correct.

Mr. Kennedy. And they in turn would make machines available to the operating companies on an exclusive basis?

Mr. Goldman. That is correct.

Mr. Kennedy. And the operating companies then would be able to get their machines placed on locations; is that right?

Mr. Goldman. Correct.

Mr. Kennedy. Did you know or understand that these companies were in turn run by certain underworld figures or relatives of underworld figures in the city of Detroit?

Mr. Goldman. I did not know it at that time.

Mr. Kennedy. Did you hear any talk about that? Or discussions? Mr. Goldman. There was common talk that it was run by the Meli

Mr. Kennedy. That these operating companies were in turn run

by the Meli group?

Mr. Goldman. That is right.
Mr. Kennedy. Did you lose locations to this group? Mr. Goldman. I was fortunate. I did not lose any. Mr. Kennedy. Did your organization lose? Mr. Goldman. The organization lost.

Mr. Kennedy. Approximately how many?

Mr. Goldman. 1,200 locations.

Mr. Kennedy. Why wasn't Jimmy James able to provide the service for you in order to keep this company from jumping the locations?

Mr. Goldman. Pickets that were sent out, some reported and some didn't even report for picket duties. We had no support and there was

no tie-up any way that we could—

Mr. Kennedy. They were just too strong?

Mr. Goldman. They were too strong for us.

Mr. Kennedy. They reported back that the pickets were frightened to go out?

Mr. Goldman. They were frightened and they didn't show up. Mr. Kennedy. Did Jimmy James subsequently appear before the Murphy grand jury and ultimately have his charter lifted?

Mr. Goldman. That was common knowledge, yes. Mr. Kennedy. And did you continue to pay dues to Jimmy James

Mr. Goldman. To my knowledge, I believe we did pay dues con-

Mr. Kennedy. Did he immediately obtain a new charter?

Mr. Goldman. There was some time that lapsed, but I don't know when the new charter was issued.

Mr. Kennedy. That was local 985 of the Teamsters?

Mr. GOLDMAN. That is right.

Mr. Kennedy. Do you know how he was able to get into the Teamsters?

Mr. Goldman. I don't know.

Mr. Kennedy. Mr. Bufalino became associated with the union? Mr. Goldman. Mr. Bufalino came in as an assistant to Jimmy

Senator Curtis. Mr. Chairman, there is something I am not clear on right there.

What were these pickets for?

Mr. Goldman. Well, we were affiliated with the union. Jimmy James was our union conciliator. At that time, the Bilvin Distributing was not unionized.

Senator Curris. The what?

Mr. Goldman. Bilvin Distributing was not unionized. They were jumping our locations. Being a nonunion operator, it was up to Jimmy James to see that we would try to get back our locations.

Senator Curris. The principle of the thing was because of the con-

troversy over locations?

Mr. Goldman. That is right.

Senator Curtis. It was not a matter of employee-employer rela-

Mr. Goldman. No. sir.

Senator Curtis. Wages, working conditions, anything like that?

Mr. Goldman. There was nothing there.

Senator Curtis. It was an issue that management and the people who control this industry were interested in because of the desire for

Mr. Goldman. The locations, to lay out equipment.

Senator Curtis. Thank you.

Mr. Kennedy. Actually, the newspaper reports at that time showed that on May 30, 1947, in an announcement by you on behalf of the Michigan Automatic Phonograph Association, that you stated to the newspapers at that time that you would recognize Local 985 of the International Brotherhood of Teamsters.

Mr. Goldman. That is right.

Mr. Kennedy. I think the records will show that that was even prior to the time that local 985 had extended its jurisdiction to the coin-machine business, but we will go into that this afternoon.

Did you have a meeting with Mr. James, who discussed the fact

that Mr. Bufalino would be brought into the union?

Mr. Goldman. Yes, I did.

Mr. Kennedy. Would you relate to the committee what occurred

at the meeting?

Mr. Goldman. It seemed that Mr. James could not control our industry. He had no power to do anything, and after meeting with Bill Bufalino he came up and said that he could find harmony in the industry if we would recognize Mr. Bufalino as his assistant; that the 1,200 locations that we lost we were to forget about, and from then on he would have Mr. Bufalino as his assistant to take care of the boys that were operating those 1,200 pieces of equipment.

Mr. Jimmy James was, of course, to help keep us in harmony as far

as our group was concerned.

Mr. Kennedy. This would be a complete surrender on your behalf? Mr. Goldman. That is right.

Mr. Kennedy. Did you agree to that?

Mr. Goldman. At first I did not agree, but later on I agreed to it.

Mr. Kennedy. Why did you agree? You were going to have to take in these operating companies who were operated by these underworld figures, or relatives of these underworld figures. You were going to have to bring in Mr. Bufalino as a union official, and you were going to have to give up your 1,200 locations, your group.

Why did you all agree to it?

Mr. Goldman. Well, we were told by the Liquor Control Commission that if we didn't clean up our industry that all jukeboxes were going to be thrown out of bars in the entire state.

Mr. Kennedy. Is cleaning up your industry bringing into the association this underworld group?

Mr. Goldman. Well, it meant to stop the jumping, to alleviate

chaos that had come into the city.

Mr. Kennedy. It involved complete capitulation on your behalf, did it not?

Mr. Goldman. It did; yes.

Mr. Kennedy. Who did you understand that Mr. Bufalino was going to represent as a member of the union, as an official of the union?

Mr. Goldman. He was going to represent the Italian group that was

interested in jukeboxes at that time.

Mr. Kennedy. And when you speak of the Italian group, you are speaking about the Italian group which are the underworld figures?

Mr. Goldman. That was the four or five companies that were affili-

ated with the Bilvin Distributing.

Mr. Kennedy. And those, Mr. Chairman, are some of the ones that we have been discussing today, like the Arizona Company, the Jay-Cee Music, which had Quasarano in it. Actually, it might be well if we summarized that at this time. Can I have Mr. Kaplan put that in?

The Charman. Mr. Kaplan has already been sworn.

TESTIMONY OF ARTHUR G. KAPLAN-Resumed

Mr. Kaplan. There were a series of companies that were allied with Bilvin Distributing Co. as their own affiliates, and then there were several separate companies that came into the business at the same time; all of them had persons in them with criminal records.

One was the Jay-Cee Music Co., which at that time had Pete Tocco,

Raffaele Quasarano and Carl Diliberto.

There was the T-D Music Co., which had Dominic "Sparky"

Corrado.

There was the Meltone Music Co. which had, at its inception, Sam Cali, and which has continued to be the company owned and operated by Vincent Meli right up until today, in spite of all of their maneuvering.

Mr. Kennedy. That is the one that absorbed the Arizona Music Co., which was operated by Polizzi and—who was the other one?

Mr. Kaplan. Dominick Maltese. Then there was the G. & G. Vending Co., which started a little bit later with the same group, with the Gallos, Arthur Gallo, Romero Gallo, and Vincent Meli. That led off into the cigarette vending field, as they started on that.

Then there was the M-C Music Co., which was a purchaser for Meltone. That had Frank Meli in it, and Angelo Meli's brother, and Sam Calli and James Calli, each of which had criminal records.

There was the Arizona Music Co. with Minaudo and Maltese, we

just mentioned.

There was also Sam's Music, which was Sam Ciamerataro, also known as "Black Shirt Sam." Prior to that he also appeared as a business agent for the union about which Mr. Holland spoke yesterday.

TESTIMONY OF MORRIS GOLDMAN—Resumed

Mr. Kennedy. So these were the four or five companies that you had to accept in !

Mr. Goldman. That is right.

Mr. Kennedy. These were the four or five companies handling it for the Bilvin Distributing Co. ?

Mr. Goldman. That is right.

Mr. Kennedy. You not only had to take them into your association, but you had to take Mr. Bufalino in as an official of the union?

Mr. Goldman. As an official of Mr. James.

Mr. Kennedy. When that agreement was made, and you agreed to do so, Bufalino sold his interest in the Bilvin Distributing Co. to Joe Young and began to work for the union; did he not?

Mr. Goldman. That is right.

Mr. Kennedy. But Jimmy James remained as the titular head of the union!

Mr. Goldman. He was the head of the union at that time.

Mr. Kennery. Did you understand that within a short time Bufalino began running the union?

Mr. Goldman. Yes, sir.

Mr. Kennedy. And James gradually disappeared; is that right!

Mr. Goldman. He had other interests. He wasn't available when we needed him.

Mr. Kennedy. And Mr. Bufalino began running the union?

Mr. Goldman. Bufalino was running it.

Mr. Kennedy. Did you have a meeting with Mr. Hoffa at this time? Mr. Goldman. That was the time that Mr. Bill Bufalino was introduced to the general membership meeting.

Mr. Kennedy. What did Mr. Hoffa relate to you at that time? Mr. Goldman. That he was to represent our local 985 and all busi-

ness was to be transacted through Bill Bufalino.

Mr. Kennedy. And that was the meeting at the Teamsters Building: is that right?

Mr. GOLDMAN. That is right.

Mr. Kennedy. And he told you at that time that Bufalino would not be out to help his relatives or friends; is that right?

Mr. Goldman. That is correct.

Mr. Kennedy. That he would work for the entire industry?

Mr. Goldman. The entire industry.

Mr. Kennedy. That was around September 1947 that that meeting took place?

Mr. Goldman. About that time; yes.

The Chairman. How long was it before Bufalino started working for his relatives?

Mr. Goldman. We never knew that he stopped working for them.

The Chairman. Never stopped. All right.

Mr. Kennedy. Soon thereafter, he told the association that he was

going to have to raise the dues of the members?

Mr. Goldman. We started originally at \$10 a month, and he said that he couldn't operate at that figure, that he had to have more money. It was voted to him to give him a raise of \$5 per month, making it \$15 a month.

Mr. Kennedy. And subsequently you had to raise it again to \$20? Mr. Goldman. Shortly after that it was raised to \$20. He stated that they needed additional money, he was being assessed for building funds of \$5,000, and at one of his meetings they voted to assess themselves an additional \$5 per month.

Mr. Kennedy. This was a building fund to help build the Team-

ster Building?

Mr. Goldman. That is right.
Mr. Kennedy. So you helped by raising the dues of your operators to the union to help build the Teamster Union Building; is that right!

Mr. Goldman. That is right.

The CHAIRMAN. Which one, the one here in Washington?

Mr. Goldman. No; this is the one in Detroit.

The CHARMAN. They have another one in Detroit?

Mr. GOLDMAN. That is right.

Mr. Kennedy. Why did he say originally for the first \$5 raise that the dues had to be raised?

Mr. Goldman. Well, he thought that he needed a larger staff of men to work for him, and he couldn't do service for us on the same basis that Mr. Jimmy James was working.

Mr. Kennedy. Which means protecting your locations; is that

right?

Mr. Goldman. That is right.

Mr. Kennedy. It was understood when Mr. Bufalino came in that he was going to perform the same services that Jimmy James had performed?

Mr. Goldman. Identical services.

Mr. Kennedy. And he was going to perform them, he was told at the meeting of Mr. Hoffa, for the entire industry, and you found, shortly afterward, that it was just for one segment of the industry?

Mr. Goldman. Well, it was common knowledge that he was working

for the family.

Mr. Kennedy. However, you were reasonably pleased right at the beginning. Did you write a letter to Mr. Bullock, managing director of the Southern California Automatic Music Operators Association, in August of 1947?

Mr. Goldman. There was an inquiry of Mr. Bullock. Mr. Kennedy. It was an inquiry from him and you answered that?

Mr. Goldman. We answered the letter.

The Chairman. I hand you what purport to be photostatic copies of the letter. Please examine them and state if you identify them, the letter from Mr. Bullock to the Michigan Automatic Phonograph Owners Association. You were president of that, were you?

Mr. Goldman. Yes; at that time.

The Chairman. And a reply, apparently from you to Mr. Bullock. Examine these photostatic copies and state if you identify them.

(The documents were handed to the witness.)

Mr. Goldman. This letter was addressed to Mr. Joseph Brilliant. Of course, an election had taken place after that, so I was the president at the time and I did answer this letter. This is my answer.

The Charman. The letters you identify may be made exhibits

79-A and 79-B in the order of their dates.

(Letters referred to were marked "Exhibits 79-A and 79-B" for reference and will be found in the appendix on pp. 17693, 17694.)

Mr. Kennedy. May I just refer to the answer, Mr. Chairman?

The inquiry to you was to find out how they could set up in California a similar kind of arrangement between the union and the association so that they would prevent location jumping; is that right?

Mr. Goldman. That is right.

Mr. Kennedy. And you answered on August 6, 1947:

We are pleased to enclose a copy of this association's agreement with the Teamsters Union of the American Federation of Labor. I believe the agreement in itself is self-explanatory. Historically, the AFL offers the best affiliation, as we have had considerable experience in Detroit with both the CIO and the AFL.

At the present time the union is operating about 98 percent efficiency in holding locations for members. Should you desire further information, we would be

happy to supply same upon your request,

and then he goes on. But the whole idea was that the union's only purpose was to hold locations for you?

Mr. Goldman. That is right.

Mr. Kennedy. At this juncture, when you wrote this letter, you had affiliated with local 985 and Mr. Bufalino was associated with the union?

Mr. Goldman. I believe he was at that time.

Mr. Kennedy. In fact, at the time you made the announcement on May 30, 1947, it had been indicated to you that Mr. Bufalino was going to be associated with the union?

Mr. Goldman. What date was that?

Mr. Kennedy. That would be at the time you made the announcement on May 30, 1947. You stated to the papers that the association would recognize local 985 of the Teamsters.

At the time you originally agreed to recognize local 985 of the

Teamsters, had Mr. Bufalino been with them?

Mr. Goldman. No.

Mr. Kennedy. He had not? Mr. Goldman. He had not.

Mr. Kennedy. Do you know the date that he came with the union?

Mr. Goldman. I don't know the exact date.

Mr. Kennedy. I believe, however, it was at the time that you wrote this letter?

Mr. Goldman. It was about that time; yes.

Mr. Kennedy. Local 985 maintained a location list on all the members and used it as a whip to keep the members in line?

Mr. Goldman. That location list was not given out by us. They

maintained their own list.

Mr. Kennedy. They requested the location list from you?

Mr. Goldman. They requested the list. Mr. Kennedy. You refused to furnish it?

Mr. Goldman. I did.

Mr. Kennedy. Why did you refuse to furnish it?

Mr. GOLDMAN. I didn't feel it was any of their business where our equipment was located at, and as long as we had members in our group that did not want their list given over to them, I maintained that.

Mr. Kennedy. Why did you think they wanted your location list? Mr. Goldman. They felt that by having the location list, they could use it as a whip to keep us in line if we at any time fell behind in dues or out of their favor.

Mr. Kennedy. And did you fear that if you made the list available, he would make that list, in turn, available to the Meli group?

Mr. Goldman. I didn't know what he would use the list for, but it

was against the wishes of our membership to give the list up.

Mr. Kennedy. Have they been able to take locations and nibble away at locations that you have had?

Mr. Goldman. They have at times; yes.

Mr. Kennedy. What?

Mr. Goldman. They have at times; yes. Mr. Kennedy. You are still in the business?

Mr. Goldman. Yes, I am. Mr. Kennedy. You are still with the union?

Mr. Goldman. Yes, sir.

Mr. Kennedy. Do you pay dues?

Mr. Goldman. Yes, sir.

Mr. Kennedy. What can the union do for you?

Mr. Goldman. We don't ask them to do anything for us.

Mr. Kennedy. You, as an employer, what can the union do for

Mr. Goldman, Take my dues and keep me informed as to when their meeting dates are. That is all they can do for us.

Mr. Kennedy. But they don't raise your income during a period of a year?

Mr. Goldman. They can't raise it.

Mr. Kennedy. They can't help you?

Mr. Goldman. They can't help me any way. The CHAIRMAN. Why do you pay dues to them?

Mr. Goldman. It is the line of least resistance, Senator.

The CHAIRMAN. A little louder.

Mr. Goldman. It is the line of least resistance. The CHAIRMAN. The line of least resistance?

Mr. Goldman. That is right.

The CHAIRMAN. Are you afraid of them?

Mr. Goldman. Yes, I am.

The Chairman. And you know you better pay dues or else you probably won't continue long in business?

Mr. GOLDMAN. That is right.

The CHAIRMAN. It is that kind of economic power and threat they have over you that compels you to pay money for nothing?

Mr. Goldman. That is right.

The Chairman. Except to get relief from fear and intimidation? Mr. Goldman, That is right.

Senator Curris. What could they do?

Mr. Goldman. What could they do?

Senator Curtis. Yes.

Mr. Goldman. Well, they have the power of pickets if we do not pay dues. The locations, when you go into a location, the man says, "Well, I am sorry; you are not a union member. I want a union member in my place. Please remove your box."

Senator Curtis. What happens if they put pickets around you?

Would it cut off your business then ?

Mr. Goldman. Well, they cut off the supply to the location.

Senator Curtis. Supply to the location?

Mr. Goldman, That is right.

Senator Curris. So it is a sort of picket that results in a boycott?

Mr. Goldman. That is right.

Senator Curtis. Is there any chance of any violence in some in-

Mr. Goldman. There hasn't been any.

Senator Curtis. I mean if someone refused to join!

Mr. Goldman. I don't know of any violence.

Senator Curtis. That is all.

Mr. Kennedy. Actually, you pay for your brother, too, don't you!

Mr. Goldman. My brother-in-law; yes, sir, I do.

Mr. Kennedy. Your brother-in-law?

Mr. Goldman. He works for me; yes, sir.

Mr. Kennedy. That is \$20 per month per man?

Mr. Goldman. \$20 per month per man.

Mr. Kennedy. It is almost a form of extortion, is it not!

Mr. Goldman, I call it a head tax.

Mr. Kennedy. A head tax, in order to operate in Detroit.

Mr. Goldman. That is right.
Mr. Kennedy. That is paid to Local 985, Mr. Bufalino's union?
Mr. Goldman. That is right.
Mr. Kennedy. That is all, Mr. Chairman.

The Chairman. The committee will stand in recess until 2:30. (Members of the select committee present at time of recess: Sena-

tors McClellan and Curtis.)

(Whereupon, at 12:20 p.m. the select committee recessed, to reconvene at 2:30 p.m. the same day.)

AFTERNOON SESSION

(The select committee reconvened at 3:20 p.m., Senator John L. McClellan (chairman of the select committee) presiding.)

The Chairman. The committee will come to order.

(Members of the select committee present at time of reconvening: Senators McClellan and Mundt.)

The Charman. Call the next witness.

Mr. Kennedy. Mr. Chairman, we have just a short witness, or an individual to turn over some records. I would like to call Mr. Jason, from the Woodner Hotel.

The Chairman. Come forward, please. Be sworn.

You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Jason, I do.

TESTIMONY OF EDWARD JASON

The Chairman. State your name, your place of residence, and your business or occupation.

Mr. Jason. My name is Edward Jason. I live at 3636 16th Street,

NW., and I am the general manager of the Woodner.

The Chairman. Mr. Jason, was a subpena served on you, a committee subpena, to produce certain records of the hotel?

Mr. Jason. Yes, sir.

The Charrman. I hand you here the original subpena and ask you if a copy of that was delivered to you.

(The document was handed to the witness.)

Mr. Jason. Yes, sir.

The Chairman. It shows to have been served on the 3d day of this month. Is that correct?

Mr. Jason. Yes, sir.

The Chairman. That subpens may be made exhibit 80.

(Subpens referred to was marked exhibit 80 for reference and may be found in the files of the select committee.)

The Chairman. Mr. Jason, this subpena calls for certain records.

Are you prepared to comply with the subpena?

Mr. Jason. Yes, sir.

The CHAIRMAN. You have the original records?

Mr. Jason. Yes, sir.

The Charman. The original?

Mr. Jason. No, sir. Photostats of the original.

The CHAIRMAN. This calls for the original. Are the records in your custody at the hotel?

Mr. Jason. Yes, sir.

The CHAIRMAN. The originals are in your custody?

Mr. Jason. Yes.

The Chairman. Then you may deliver, then, if you have photostatic copies, the photostatic copies now, but I shall want the originals delivered so that comparisons can be made.

Mr. Jason. Yes, sir.

The CHARMAN. You will deliver the originals? Can you deliver them this afternoon?

Mr. Jason. I don't know sir. It would require, perhaps, some

digging in our files.

The Chairman. You have already done the digging to get the photostatic copies. I assume very little digging will be needed now.

Mr. Jason. I do not know, sir, whether they have been returned to

the files in order or not.

The Chairman. Contact the counsel of the committee immediately, as soon as you ascertain, and let us know. In this particular instance, it is necessary that we have the originals at least for a period to give us an opportunity to make certain checks with regard to them.

All right, sir, with that understanding, you may be excused. Let us know immediately this afternoon, as quickly as you can ascertain

this.

Mr. Jason. 1 will do it.

The Chairman. I understand that the photostatic copies if accepted in lieu of originals would comply fully with the subpena?

Mr. Jason. Yes, sir; to the best of my knowledge.

The CHAIRMAN. The same order will prevail as to the originals.

Call the next witness.

Mr. Kennedy. Mr. Jimmy James.

The Chairman. Mr. James, come forward. Be sworn.

You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. James. I do.

TESTIMONY OF EUGENE C. JAMES

The Charman. State your name, your place of residence, and your business or occupation?

Mr. James. Eugene C. James, 325 Leask Lane, Wheaton, Ill.

The CHARMAN. I am sorry. 1 didn't hear you. Did you state your name, your place of residence, and your business or occupation?

Mr. James. I stated my name and my residence.

The CHAIRMAN. You wouldn't give your occupation?

Mr. James. I respectfully decline to answer that question on the

ground the answer might tend to incriminate me.

The Chairman. You can say whether you do or do not. You don't give your occupation. You respectfully decline to give your occupation on the ground that it might tend to incriminate you?

Mr. James. Yes, sir.

The Charman. Do you honestly believe if you told the truth and gave your occupation that a truthful answer to the question of what is your occupation might tend to incriminate you?

Mr. James. I believe it would, sir.

The CHAIRMAN. All right. Proceed, Mr. Kennedy.

Mr. Kennedy. Mr. Chairman, would you ask Mr. James if he has an attorney present?

The Charman. Do you have counsel?

Mr. James. No, sir.

The Charman. Do you waive counsel?

Mr. James. Yes, sir.

The CHAIRMAN. Proceed.

Mr. Kennedy. Would you tell me what has happened to your coun-

sel? I talked to him this morning.

Mr. James. Yes, sir. My counsel came down here with me to talk to the chairman and you, trying to get me excused from appearing in front of the committee due to the fact that I am in allegation for income tax in Chicago which has not been completely settled. I am under extradition to New Jersey on embezzlement.

I thought possibly that he might be able to explain it in its entirety to this body and possibly get me excused until such time as these hearings were completed. That is what I brought him here for. He had other business to attend to today, where I am not interested, and

that is where he is at this time.

I know where he is at and I will be able to see him before the day is over. But I didn't bring him down here to come in here with me. I brought him down here for that one thing with reference to my letter to you.

The CHAIRMAN. For purpose of this interrogation, then, you waive

counsel?

Mr. James. Yes.

Mr. Kennedy. The reason I asked the question was that I spoke to him this morning and told him that I was going to bring up a point with you and with him in connection with the income tax case. That is why I was wondering why he didn't appear this afternoon.

Mr. James. I understood that any questions pertaining to the income tax or anything that might go to a reflection on my case I

wouldn't be asked.

Mr. Kennedy. That was on the question of the fee. As I understand from a review of the case, he is arguing on your behalf that you embezzled these funds between 1951 and 1954 when you were a union official, funds which amount to \$738,000, and the taxes on that would be \$562,982; that you shouldn't have to pay the taxes because of the fact that you embezzled the money.

Mr. James. Is that in the form of a question, Mr. Kennedy?

Mr. Kennedy. As I understand, that is your defense in the case. I am not asking you whether it is correct or not. I am just asking you: Isn't that your defense in the case?

Mr. James. I respectfully decline to answer that question on the

grounds that the answer might tend to incriminate me.

Mr. Kennedy. I am not getting into the merits of your case at all, Mr. James.

Mr. James. You are getting awfully close to it, Mr. Kennedy.

Mr. Kennedy. This is the conversation that I had with Mr. Gorman.

Mr. James. I wasn't present at that meeting.

The Chairman. You are present now. Let's proceed.

Mr. Kennedy. I asked him if union funds were being used so that he, as your attorney, could argue that you embezzled this money and, therefore, should not pay taxes on it.

Would you tell us that? That has nothing to do with your tax case. If you can answer questions, can you tell us if union funds are

being used to pay your attorney's fees?

Mr. James. I respectfully decline to answer that question on the

grounds that the answer might tend to incriminate me.

Mr. Kennedy. That is why I think it very important that Mr. Gorman be here and very peculiar that he didn't come. I notified him that this matter would come up. He told me on the telephone he received some \$15,000 to defend you so that he could argue this point, and that the \$15,000 came out of union funds.

We have the rather unusual situation that you, a union official, are accused of embezzling or taking some \$750,000, of which you should pay some \$550,000 in taxes; that your attorney is arguing that you shouldn't have to pay taxes on the money because you embezzled it.

The attorney, when he is arguing this case, is being paid some \$15,000 out of union funds. How could that possibly be a union purpose served in having \$15,000 of union funds used for this purpose? Can you tell the committee that?

Mr. James. I respectfully decline to answer the question on the

grounds that the answer might tend to incriminate me.

The Charman. Mrs. Clerk, issue a subpena for his attorney immediately, please.

Mr. James. You don't have to issue a subpena. I can go get him

for you. I know where he is at, if you want him.

The Chairman. You may call him and get him here pretty soon. Where can we call him?

Mr. James. He is with some attorney conversing about a case that is pending in Chicago. I am not familiar with the case.

Mr. Kennedy. Where is he?

Mr. James. Somewhere in some law office down in—

Mr. Kennedy. Where?

Mr. James. I don't know the exact spot. But I know where to find him around the time I get out of here around 4:30 or 5 o'clock. I am going to meet him.

Mr. Kennedy. You said we didn't have to issue a subpena for him.

Mr. James. You don't, without you want him right this minute. I can't go and put my finger on him, but I will see him later in the day. I will tell him that you want him here.

Mr, Kennedy. I told him I was going to go into this matter.

The Charman. Issue the subpena and undertake to reach him by telephone. Where is he stopping?

Mr. James. He is stopping at the Statler Hotel.

The CHMRMAN. Send a message to the Statler Hotel immediately that a subpena is out for him and we want him here. Have that message put in his box.

Mr. James. Mr. Chairman, he is not trying to duck this committee. He merely had a business appointment. He will be here as quickly as

f I can go over and find him.

Mr. Kennepy. Where are you going to find him?

The Chairman. I am not questioning that he is going to be here, but I would simply think that he would want a subpena issued for him.

Mr. James. Well, I don't know about that, sir.

The Charman. I can't know either. But being a lawyer, I think under the circumstances he would want a subpena issued. The subpena simply means that it is an official notice to him that the committee wants to hear him and he is ordered and directed to appear. If we can reach him and he will volunteer to come, very well.

Mr. James. He will be here, sir.

The Charman. Very well. Proceed.

Senator Mundr. Are you presently a union official with some union, Mr. James?

Mr. James. I respectfully decline to answer that question on the grounds that the answer may tend to incriminate me.

Senator Mund. To your knowledge, is some union paying the fee

of your attorney?

Mr. James. I can't hear you, sir.

Senator Mund. To your knowledge, is some union paying the fee for your attorney!

Mr. James. I respectfully decline to answer that question on the

ground the answer might tend to incriminate me, sir.

Senator Mund. Are you personally paying your attorney fees? Mr. James. I respectfully decline to answer that question on the grounds that the answer may tend to incriminate me.

Senator Muxor. It would be a safe deduction that the attorney is

being paid from somewhere?

Mr. James. I respectfully decline to answer that question on the

ground the answer may tend to incriminate me.

The Charman. Well, this is one of the most outrageous things imaginable. A fellow is charged—and I don't know whether you did or didn't, but at least you are charged—with stealing, and it is stealing, embezzlement and stealing is one and the same thing—one is you are in legal possession of it and you take it and convert it to your own use, and the other is you are not in possession of it and you take possession of it and use it.

There is nothing different in the morals of it at all. If anything, embezzlement is worse, because you have been trusted. You have here a situation, if this is true, that you took this money where you were acting in a fiduciary capacity, the money of union members, people who work, who pay dues in their organization, hoping to derive some benefit from it.

Then you abscord with it. Then when the Government undertakes to collect taxes that would be due on the money as income, you make the defense, and your attorney told me this, that he was defending on the ground that it wasn't legitimate income and therefore was not

taxable.

On that basis, certainly, if his position in that case is true, then you took the money unlawfully, and now you are having the union, the same men that the money was stolen from, pay the lawyer to make such a plea.

It just simply violates every fiber, every fabric, of integrity, honesty

and decency that ought to be in human beings.

Mr. James. I don't think you are familiar with the case.

The Chairman. I may not be. I said "if those are the facts." You are given an opportunity to deny it. If those are not the facts, you have the opportunity now to say that those facts are not true and state what the facts are.

Do you want to take advantage of the opportunity?

Mr. James, Mr. Chairman-

The CHAIRMAN. Yes?

Mr. James. I wrote you a letter explaining the entirety of these cases involved.

The CHAIRMAN. Yes, sir. I have your letter.

Mr. James. And your honorable committee-

The Chairman. Just a moment. When I speak, you be quiet.

I have your letter. I replied to it. You are here in due process of the powers and authority of the committee.

Now, you may proceed.

Mr. James. When I wrote that letter, I wrote that letter in good I thought that the committee could give me time until I completed this case, because the stuff that you are talking about here today is directly incriminating toward me, and you can't expect me to answer.

The Charman. It no doubt is. I am giving you the opportunity

to refute it. Is it true or not true?

Mr. James. Maybe my case is built on those grounds, Senator.

The CHAIRMAN. Is it true or not true?

Mr. James. I respectfully decline to answer the question on the grounds the answer may tend to incriminate me.

The Chairman. All right. You have been given the opportunity.

Proceed.

Mr. Kennedy. You are now an international vice president of the Laundry Workers Union; is that right?

Mr. James. I respectfully decline to answer the question on the

ground that the answer may tend to incriminate me.

Mr. Kenneby. There are two laundry workers unions at the present time. There was an ouster of the Laundry Workers Union of which you were a vice president after it was revealed by the Ives-Douglas

subcommittee that this money was taken from the union by you and your colleague, taken from the welfare fund, and that union was

Then another union, a Laundry Workers Union, was formed, which is now a part of the AFL-CIO. You are part of the ousted, the corrupt, part of the Laundry Workers Union; isn't that right?

Mr. James. I respectfully decline to answer that question on the

grounds that the answer may tend to incriminate me.

Mr. Kennedy. But you are a vice president of the corrupt, ousted union, and you are also secretary-treasurer of the union's local 46 in Chicago; is that correct?

Mr. James. I respectfully decline to answer the question on the

grounds the answer might tend to incriminate me.

Mr. Kennedy. It is local 46 whose funds were used, the \$15,000, to pay your attorney's fees in this case. They were taken from local 46; isn't that right?

Mr. James. I respectfully decline to answer that question on the

ground the answer might tend to incriminate me.

Mr. Kennedy. Again, when I talked to your attorney, he explained that this was not the same union from which you embezzled the funds, that this was another union and, therefore, that this union, local 46, was the one that was paying your legal fees; is that right?

Mr. James. I respectfully decline to answer the question on the

grounds the answer might tend to incriminate me.

Senator Mund. For my information, counsel, will you explain if

they are interlocked?

Mr. Kennedy. They are entirely separate. The AFL-CIO ousted the Laundry Workers Union after this had been revealed. He and several of his colleagues formed a new Laundry Workers Union, this same man, which is now outside of the AFL-CIO, but which is very active around the country.

The Chairman. Is that the one that is paying the attorney?

Mr. Kennedy. Yes.

The Chairman. The one they have formed?

Mr. Kennedy. That is correct.

Senator Munder. It is a so-called independent union comprised of the same people?

Mr. Kennedy. That is right.

The Chairman. He has lost control of the AFL-CIO union?

Mr. Kennedy. That is right.

Senator Munder. Is the other one still functioning?

Mr. Kennedy. Yes, it is.

The Charman. Is there anything further?

Mr. Kennedy. Yes.

It might be also of some interest to you, Senator, that the head of this union is a man by the name of Sam Biers. He was originally president of the international union, the Laundry Workers Union. He is in this other group with Mr. James. He has a rather interesting background, including the fact that one time in 1933, under the name of John Gilson, as a business representative of the Bill Posters and Billers Union, Local No. 1, in Chicago, Ill., he was arrested in connection with a murder and was sentenced to 1 to 5 years.

So you have that background of the officials who are running this

union.

Mr. James, in going into your background a little bit, in 1940, according to the Detroit directory, it shows that you and your wife, Jean, operated a billiard parlor on East Warren Street, is that right, at 15302 East Warren?

Mr. James. I respectfully decline to answer the question on the

grounds that the answer may tend to incriminate me.

Mr. Kennedy. Then in 1941, the Detroit directory lists Eugene James as a business agent of the Laundry Workers International Union Local 129; is that right?

Mr. James. I respectfully decline to answer the question on the

grounds that the answer may tend to incriminate me.

Mr. Kennedy. So was that your first entry into the labor union movement, with local 129?

Mr. James, I respectfully decline to answer the question on the

grounds that the answer may tend to incriminate me.

Mr. Kennedy. Then you were brought into the union by Mr. William Presser, is that right? That is, into this independent union for the coin machines, in 1944–45?

Mr. James. I respectfully decline to answer the question on the grounds that the answer may tend to incriminate me.

Mr. Kennedy. That was local 23814; is that right?

Mr. James. I respectfully decline to answer the question on the

grounds that the answer might tend to incriminate me.

Mr. Kennedy. And about that time, after you were brought into the union, you received certain funds from the operators, and you were also given an interest in the Marston Distributing Co. You received 20 percent, did you not, in the Marston Distributing Co., which had the AMI distributorship in Detroit? Is that right?

Mr. James. I respectfully decline to answer the question on the

grounds that the answer may tend to incriminate me.

Mr. Kennedy. And also the Marquette Distributing Co., which was run by Mr. De Schryver, you received 31 percent of that company.

Mr. James. I respectfully decline to answer the question on the

grounds that the answer may tend to incriminate me.

Mr. Kennedy. Then Mr. Nardi's wife—Mr. Nardi being a union official down in Cleveland with Mr. Presser, at that time with the IBEW, and later with the Teamsters, and he presently holds that position with the Teamsters—his wife received 6 percent and Mr. Presser's wife received 6 percent; is that right?

Mr. James. I respectfully decline to answer that question on the

grounds that the answer may tend to incriminate me.

Mr. Kennedy. And they received those interests because of the fact that they set this up for you to run the union together with the association?

Mr. James. I respectfully decline to answer that question on the

grounds that the answer may tend to incriminate me.

Mr. Kennedy. We have had testimony that subsequently you were having difficulty from the Bufalino group and the so-called Italian gangsters in Detroit, and that you made arrangements in order to combat that so that the rival union would not be set up to put Mr. Hoffa's and Mr. Brennan's wives on your payrolls in their maiden names: is that right?

Mr. James, I respectfully decline to answer that question on the grounds that the answer may tend to incriminate me.

Mr. Kennedy. They each were put on the payroll for \$100 a week

and did no work?

Mr. James. I respectfully decline to answer that question on the grounds that the answer may tend to incriminate me.

Mr. Kennedy. That was so that the Teamsters wouldn't set up a

rival union and help this so-called Italian gangster group!

Mr. James. I respectfully decline to answer that question on the

grounds that the answer may tend to incriminate me.

Mr. Kennedy. And subsequently your charter was withdrawn after the Murphy grand jury made an investigation, and Mr. Hoffa then gave a charter to you with the understanding that you would bring in Mr. William Bufalino?

Mr. James. I respectfully decline to answer that question on the

grounds that the answer may tend to incriminate me.

Mr. Kennedy. Mr. Bufalino was brought in and made, subsequently, the business manager, and you left, for all practical purposes, the end of 1947, is that right, although you remained on the payroll of this union until November of 1950?

Mr. James. I respectfully decline to answer that question on the

grounds that the answer may tend to incriminate me.

Mr. Kennedy. Would you tell the committee why they kept you on the payroll for such a long period of time? Is that a method of paying you off?

Mr. James. I respectfully decline to answer that question on the

grounds that the answer might tend to incriminate me.

Mr. Kennedy. Mr. Chairman, in connection with the awarding of that charter, could we have these letters introduced?

Mr. Kaplan secured them.

The Chairman. Mr. Kaplan, you have been previously sworn? Mr. Kaplan, Yes.

TESTIMONY OF ARTHUR G. KAPLAN—Resumed

Mr. Kennedy. Identify them briefly.

Mr. Kaplan. These are letters relating to the issuance of the charter to local 985, in the very beginning of June 1947. They were obtained by subpena from the Teamsters International headquarters.

Mr. Kennedy. The documents, Mr. Chairman, to which Mr. Kaplan has referred, show, for instance, on the June letter which is undated, shows:

Please send to James Langley, secretary-treasurer of Local 985, International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers, at Trumbull Avenue, Detroit, Mich., the following supplies:

And then it lists them.

Have we identified who he was!

Mr. Kaplan. Mr. James Langley is Mr. Hoffa's brother-in-law.

The Charman. That is the first document. That may be made exhibit No. 81.

Document referred to was marked "Exhibit No. 81" for reference and may be found in the files of the select committee.)

Mr. Kennedy. It shows the close relationship Mr. Hoffa had, with

this letter.

Then we have a letter dated June 3, 1947, written to Mr. James Hoffa, from Mr. John English, which acknowledges receipt of \$5 for "revised charter, seal and stamp, for local 985," stating that the charter was "picked up by you this date and the seal and stamp will be forwarded," again showing Mr. Hoffa's involvement.

The Chairman. That may be made exhibit $81-\Lambda$.

(Document referred to was marked "Exhibit No. 81-A" for refer-

ence and may be found in the files of the select committee.)

Mr. Kennedy. Then, Mr. Chairman, on June 3, 1947, the same date, a notice was sent to Mr. John English from a man by the name of Norman C. Murrin, in which he states:

Attached find check in the amount of \$5 to cover the cost of charter name change for local $985-\!\!\!\!-$

and-

Also insert Eugene James as charter member in place of Alvin Ogelvie.

The CHAIRMAN. That may be exhibit 81-B.

(Document referred to was marked "Exhibit No. 81-B" for reference and may be found in the files of the select committee.)

Mr. Kennedy. So that brings Mr. James into the picture.

Here is the application for certificate of affiliation with the Teamsters, which lists Eugene James as No. 1 on the list of applicants and it states:

Charter received by J. Hoffa, 6-3-47,

and then it says:

Picked up.

The CHAIRMAN. That may be made Exhibit 81-C.

(Document referred to was marked "Exhibit 81-C" for reference and may be found in the files of the select committee.)

TESTIMONY OF EUGENE C. JAMES—Resumed

Mr. Kennedy. Can you tell us anything about that, Mr. James?

Mr. James. I respectfully decline to answer the question on the

grounds it may tend to incriminate me.

Mr. Kennedy. In the court proceedings when you were having this dispute in 1946, you stated to the Murphy grand jury that the people behind Bufalino were Scarface Joe Bommarito, Angelo Meli, and Pete Licavoli. Can you tell us what information you had on that?

Mr. James. I respectfully decline to answer the question on the

grounds it may tend to incriminate me.

Mr. Kennedy. Then you stated, on page 963 of the Murphy grandjury transcript, that there were some unionmen working for Bilvin's predecessor, and when Bilvin took over these men were fired, and that you tried to—

talk to anybody in anthority. I made phone calls and they would refer me to Joe Doakes, and I could never get hold of the right man, and I put a picket line on the place May 23 to June 7, 1946, and I got hold of the right man—

and you say the right man was Angelo Meli.

Were Bommarito, Licavoli, and Meli, behind the operation of Bilvin, as you testified?

Mr. James. I respectfully decline to answer the question on the

grounds the answer might tend to incriminate me.

Mr. Kennedy. Can you tell us in view of that why you then brought Bufalino into the union with you when you received the charter from Mr. Hoffa in local 985?

Mr. James. I respectfully decline to answer the question on the

grounds the answer might tend to incriminate me.

Mr. Kennedy. Was that a condition to obtaining the charter, Mr. James?

Mr. James. I respectfully decline to answer the question on the

grounds the answer may tend to incriminate me.

The Chairman. Did Hoffa know of your reputation and Bufalino's reputation at the time he granted the charter?

Mr. James. I respectfully decline to answer the question on the

grounds the answer may tend to incriminate me.

Mr. Kennedy. According to the testimony we have had, you were financed by the operators, and in addition they were so pleased with you in one year they gave you a Cadillac; is that right?

Mr. James. I respectfully decline to answer the question on the

grounds the answer may tend to incriminate me.

Mr. Kennedy. Mr. Chairman, we have already gone into, at a previous hearing, about Mr. James' operation down in Miami, Fla., with Mr. Newbold, so I will not go into that. Those are the questions I want to ask him today.

The CHAIRMAN. Are there any further questions?

Mr. Kennedy. That is all.

Mr. Chairman, we made a telephone call to the Statler Hotel. Mr. Gorman was in his hotel room.

 Are you surprised to hear that, Mr . James? Mr. James. No. sir; I am not surprised.

Mr. Kennedy. I thought you said you knew he was busy with some attorney.

Mr. James. I knew he had some business to transact this afternoon;

yes, sir.

Mr. Kennedy. We asked him to come over and he is coming over.

The CHAIRMAN. You may stand aside for the present. You may be recalled.

Mr. Kennedy. Mr. Hopkins, Mr. Chairman. The Chairman. Come forward, Mr. Hopkins.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Hopkins. I do.

TESTIMONY OF CARL F. HOPKINS

The Chairman. State your name, your place of residence, and your business or occupation, please, sir.

Mr. Hopkins. Carl F. Hopkins, 14635 Monica Street, Detroit,

Mich., owner of Hopkins Vending.

The CHAIRMAN. You waive counsel; do you?

Mr. Hopkins. Yes, sir.

The CHAIRMAN. All right, Mr. Kennedy.

Mr. Kennedy. You are the sole owner of the Hopkins Vending, located at 14635 Monica?

Mr. Hopkins. It is another address now. Mr. Kennedy. What is the address?

Mr. Hopkins. 11169 Grand River, Detroit 4, Mich.

Mr. Kennedy. You started this business in about May 1951?

Mr. Hopkins. Yes, sir.

Mr. Kennedy. And your business consists of placing on location coin-operated vending machines?

Mr. Hopkins. Yes, sir.

Mr. Kennedy. Forty percent of your machines vend candy, some 40 percent vend cigarettes, and about 20 percent remaining vend soft drinks; is that right?

Mr. Hopkins. Soft drinks and coffee.

Mr. Kennedy. What?

Mr. Hopkins. And coffee.

Mr. Kennedy. You have approximately 600 machines?

Mr. Hopkins. Yes, sir.

Mr. Kennedy. On about 175 or 200 locations?

Mr. Hopkins. Thereabout.

Mr. Kennedy. Throughout the Greater Detroit area; is that right?

Mr. Hopkins. Yes, sir.

Mr. Kennedy. You own, service, and maintain these vending machines?

Mr. Hopkins. Yes, sir.

Mr. Kennedy. Have you been a member of local 985? That is, of the Teamsters.

Mr. Hopkins. Yes, sir.

Mr. Kennedy. When did you join? Mr. Hopkins. In 19—late in 1951.

Mr. Kennedy. Were you self-employed at that time?

Mr. Hopkins. Yes, sir.

Mr. Kennedy. Why did you join?

Mr. Horkins. Well, it was the best thing to do to stay in business.

Mr. Kennedy. What do you mean by that?

Mr. Horkins. Well, they come out and asked me to join, and you had to join the union or they made it a little bit rough on you to operate your machines. Certain places wanted machines with union labels and the union made sure that they wanted me in.

Mr. Kennedy. But the union could do nothing for you. You were

self-employed.

Mr. Horkins, I was self-employed. They couldn't do anything to me.

Mr. Kennedy. Did they indicate that they would picket you unless you joined?

Mr. Hopkins. Well, one of my locations was.

Mr. Kennedy. One of your locations was picketed?

Mr. Hopkins, Yes.

The Chairman. What effect did that have on your business?

Mr. Hopkins. Well, I would have lost the machine in this particular location unless I had a union label. The only way to secure a union label was to join the union.

The Charman. You didn't own the place of business, but you only had a machine there, and if the place of business was picketed where you had your machine by reason of your having your machine there, the owner of the business would lose business? In other words, he couldn't afford to keep your machine and out it would have to go;

Mr. Hopkins. Yes, sir. He told me he would have to have a machine with a union label. If I couldn't furnish it, he would get somebody

The Chairman. Otherwise, he would be picketed?

Mr. Hopkins. Yes, sir.

The Chairman. So in that way, they compelled you to join a union if you were going to operate?

Mr. Hopkins. Yes, sir.

Senator Mundt. Does that mean, Mr. Hopkins, that if there were a Federal law against blackmail picketing, you would have been protected against this club that was used to compel you to take on union membership?

Mr. Hopkins. Yes, sir. The easiest way out is actually to join the

union.

Senator Mund. Yes, but if there were a law prohibiting blackmail picketing, they would not have been able to use that club against the people in whose locations you had the machines?

Mr. Hopkins. Right.

Senator Mundt. You could have gone ahead and used union machines or nonunion machines or anything you desired to use?

Mr. Hopkins. Yes, sir. Mr. Kennedy. Isn't it a fact—

Mr. Hopkins. This, gentleman, is always at the time I was operating the business myself, with no employees.

The CHAIRMAN. I beg your pardon?

Mr. Hopkins. This was done at the time I was operating the business myself with no employees.

The Chairman. You did all of the work yourself?

Mr. Hopkins. Yes. And had no employees at that time.

Mr. Kennedy. Did they in fact stop the truck going in and out? Mr. Horkins. I didn't see any of that myself; I don't know.

Mr. Kennedy. But you went down and joined the union?

Mr. Hopkins. I went down and got the labels and put them on the machines.

Mr. Kennedy. Because you understood this might happen; is that it?

Mr. Hopkins. Yes.

Mr. Kennedy. How much did you pay at that time? Mr. Horkins. The initiation fee into the union, if I remember correctly, was \$50.

Mr. Kennedy. Did you pay all of that?

Mr. Hopkins. I think they waived some of it in order to get me in, and I think I paid 50 percent of that.

Mr. Kennedy. \$25? Mr. Hopkins. Yes.

Mr. Kennedy. Did you pay dues on that?

Mr. Horkins. Yes, sir; on myself as owner.

Mr. Kennedy. How much did you pay?

Mr. Hopkins. \$5 a month.

Mr. Kennedy. Then you hired some people subsequently. all occurred 5, 6, or 7 years ago?

Mr. Hopkins. Yes, sir.

Mr. Kennedy. Then you hired people subsequently; is that right? Mr. Hopkins. Yes, sir.

Mr. Kennedy. Did they belong—

Mr. Hopkins. As the business grew, I hired more employees.

Mr. Kennedy. Did they join the union?

Mr. Hopkins. Yes, sir.

Mr. Kennedy. How did that come about and when did it come

about?

Mr. Hopkins. Well, late in 1956 I hired a man. According to my understanding with the union, we had 30 days before he had to join. For some reason or other, it was a little after 30 days. He was intimidated into a way of joining the union.

Mr. Kennedy. How did that come about?

Mr. Hopkins. Well, he was—his truck was stopped on the highway by-I don't know who stopped the truck because I wasn't riding; I wasn't in the truck.

Mr. Kennedy. What was related to you as what happened?

came back to the office afterward, did he not?

Mr. Hopkins. He called me up and said there were four fellows who stopped him.

Mr. Kennedy. He was driving along. What happened?

Mr. Hopkins. His car was pushed to the curb or a little beyond the curb, and he was asked to stop. They asked him at that time to get out of that car and get into another car and sign some papers, and he became a union member at that moment.

Mr. Kennedy. What kind of a car forced him off the road?

Mr. Hopkins. I don't know, sir.

Mr. Kennedy. What did he relate to you, Mr. Hopkins?

Mr. Hopkins. Well, he said—I don't know what make of car it was or anything like that. He said he was pushed over by a car.

Mr. Kennedy. Then he got in the car. Who was in the other car?

Mr. Hopkins. Officials from the union.

Mr. Kennedy. And they made him sign the paper?

Mr. Hopkins. I don't know what officials it was. He was shook up, and he didn't want to say.

Mr. Kennedy. Was anybody identified as being in the car?

Mr. Hopkins. He said there was three or four fellows in the car. Mr. Kennedy. Was there anybody that was subsequently identified? Mr. Hopkins. No. I don't know who was in the car.

Mr. Kennedy. Do you know whether Johnny Welsh was in the

Mr. Hopkins. I don't know whether he was in the car or not. I actually don't because I didn't see it. He related to me that there was people in the car and he named some of them off. But he was in a nervous condition and I don't know.

Mr. Kennedy. Did he tell you John Welsh was in the car?

Mr. Hopkins. He said he thought it was Welsh. That was the first time he had ever met Welsh, to my knowledge.

Mr. Kennedy. And there were three colored fellows plus Johnny Welsh?

Mr. Hopkins. He told me that, but I wouldn't know for sure.

Mr. Kennedy. So anyway, he signed the papers. What kind of papers did they have him sign?

Mr. Hopkins, I don't know. I never saw them. I saw one; it was an application to join the union. The union showed me that when I went down to their office.

Mr. Kennedy. What was the other paper?

Mr. Hopkins. I don't know.

Mr. Kennedy. He signed the papers while he was in the car? Mr. Horkins. He never told me what the papers were. He signed two or three papers.

Mr. Kennedy. Was he scared? Mr. Horkins. Yes, he was.

Mr. Kennedy. Is that why he joined up?

Mr. Hopkins. Yes.

Senator Mundt. How much dues or initiation fee did he pay?

Mr. Hopkins. He pays \$5, too.

Senator Mundt. \$25?

Mr. Hopkins. Initiation fee? \$50.

Senator Mundr. Was there any other reason why the union used methods like this to bring in two lone people in Detroit to a union? It doesn't seem to me that union money is hard enough to get.

Mr. Hopkins. Well, the union made a statement to me that they were going to have everybody in Detroit that run any type of coin-

operated equipment under union control.

Senator Mundr. All they got out of it, according to you, is \$25 from you and \$50 from your associate. That is \$75, plus \$5 a month. That is pretty small money.

Mr. Hopkins. Per man.

Senator Mundt. So far as this committee testimony reflects, that would be two men, \$5 a month, \$120 a year. That isn't very much to justify attacking a man in broad daylight, forcing him off to the side of the road and throwing up a picket line. Is there any other racket connected with it? Is there any other income? What motivates it?

Money is not that hard for unions to get since we have heard about it.

Mr. Hopkins. That is all they got from me.

Senator Mund. Did you get your stamps free for the coin machine?

Mr. Hopkins. Yes, they issued me stamps for the machine.

Senator Mundr. You don't have to pay for them?

Mr. Hopkins. No. As long as we keep the dues paid up to date, we get the stamps.

Senator Mundt. \$5 per month?

Mr. Hopkins. \$5 per month per man including myself.

Senator Mundt. Two men?

Mr. Hopkins. Four now. Three employees and myself. I got more employees as the business grew.

Senator Munder. They all had to join?

Mr. Hopkins. Yes, \$50 plus \$5 a month, plus—well, that is it.

Senator Munder. Are you a small operator there?

Mr. Hopkins. I am not a very big operator, no. I am a small operator.

Senator Mundt. In other words, they just didn't want to let you

run around being an exception, I suppose.

Mr. Hopkins. Detroit is full of a lot of operators and small operators; it is highly competitive in the vending industry in Detroit.

Senator MUNDY. What is your candid opinion? Was there enough money in this for the union to justify all those highhanded tactics?

Mr. Hopkins. I am in favor of a good union.

Senator MUNDT. Well, so am I in favor of a good union. But I am trying to figure out where the payoff is and what the percentage is in picking up little fellows like you at \$25 and \$5 a month. That is pretty slow income.

Mr. Hopkins. If they get enough of them, they are all right.

Senator Mundr. Are they trying to control the whole industry, do you think?

Mr. Hopkins. In my opinion, yes.

Senator Mundr. They already had the big operators and they were trying to get you little ones?

Mr. Hopkins. They have all kinds of operators in Detroit, fellows

that operate their machines like I used to, alone.

Senator Mundr. They have some big operators, too?

Mr. Hopkins. Yes.

Senator Mund. They were all unionized?

Mr. Hopkins, Yes.

Mr. Kennedy. What did they do? They had your employee join in the manner you described. Did you hear from the union then?

Mr. Hopkins. Yes. They called me and told me I had a man working for me who was not a union member, but he now is.

Mr. Kennedy. What did they want you to do?

Mr. Hopkins. To come down and sign a contract for wages and hours.

Mr. Kennedy, Did you go down and sign a contract?

Mr. Hopkins. Yes, I did. I didn't argue much with them; I just signed it.

Mr. Kennedy. Just signed it when they told you to?

Mr. Hopkins. And since then we have been negotiating when the contract expires.

Mr. Kennepy. Who was it that greeted you when you got down to

the union headquarters?

Mr. Hopkins, Gosh, I don't remember. I think I signed a contract with William Bufalino.

Mr. Kennedy. Who called you and made the statement to you?

Mr. Hopkins. Mr. Welsh.

Senator Munder. When you signed the contract, what changes in working conditions, in hours, or in pay schedules took place as far as your employees were concerned?

Mr. Horkins. There wasn't much changes. I think the wage might have went up a little bit, \$5, \$6, \$7, maybe \$10, or something, which was agreeable with me. I had no objection to the contract at that time, to that contract.

Senator Mundr. Wages went up \$5, \$6, \$7, \$10—what, a week or a month?

Mr. Hopkins. No, a week. I think it went up \$5 a week from what I was paying them before.

Senator Mundt. A man got \$5 a week more when he joined the

union?

Mr. Hopkins. When we joined with that one man.

Mr. Kennedy. You were already in the union!

Mr. Hopkins, Yes.

Mr. Kennedy. Did you have any other conversation with Johnny Welsh, specifically in connection with some gum machines that he had!

Mr. Hopkins. He came out to my house one day and wanted to sell me some gum machines that he was operating, penny gum machines. It didn't amount to much.

Mr. Kennedy. How much do those kind of machines cost?

Mr. Hopkins, About \$17 or \$18 apiece.

Mr. Kennedy. How much did he want to sell them to you for?

Mr. Hopkins. About \$25.

Mr. Kennedy. Did you buy them from him?

Mr. Hopkins. Yes. Mr. Kennedy. You paid \$25?

Mr. Hopkins. Something like that, between \$20 and \$25. I don't want to state the exact figure.

Mr. Kennedy. Did he tell you that he would be able to help you out if you got in trouble if you purchased the machines from him?

Mr. Hopkins. Yes; he told me he would leave me alone. Mr. Kennedy. How many machines did you purchase?

Mr. Hopkins. Just five.

Mr. Kennedy. What happened then? Did you lose the locations?

Mr. HOPKINS. Yes.

Mr. Kennedy. Why? Mr. Hopkins. They fell through. Some of them the business wasn't any good. I couldn't understand why the machines were in such a type location as they were.

Mr. Kennedy. Did you understand Welsh was able to place these machines in the locations he had them in because of the pressure he

was able to bring?

Mr. Hopkins. I don't know. That might have been my personal opinion at the time. Anyhow, I lost all the locations and the machines sat on my shelves for 3 years.

Mr. Kennedy. Immediately on finding out that you had purchased the machines, did the people say they wanted to get rid of the

machines?

Mr. Hopkins. Yes: I lost them. Every location comes up with a different answer. They can paint the walls and take them down, and you can't get them back up.

Mr. Kennedy. Did you ultimately sell the machines?

Mr. Hopkins. Yes.

Mr. Kennedy. For how much? Mr. Hopkins. About \$10 apiece.

Mr. Kennedy. Why did you purchase the machines from him?

Mr. Hopkins. He said he was in trouble, that he wanted to get rid of the machines.

Mr. Kennedy. Did you want to stay on his good side?

Mr. Hopkins. I, at that time, was a little bit leery of things, and I didn't know how it was going to work out. In all good faith, he was going to sell me the machines and I was going to buy them. That is the way it went.

Mr. Kennedy. In all good faith, he was going to sell them to you

above the market price?

Mr. Hopkins. Well, the additional amount was for the business that went with the machines. That is the way machines are sold in this business.

Mr. Kennedy. Which turned out to be zero, because none of the

locations would keep them?

Mr. Hopkins. Over a period of 3 months I lost the locations.

Mr. Kennedy. Does local 985 control the industry pretty much in Detroit now?

Mr. Hopkins. To my knowledge they do. I don't know.

Mr. Kennedy. Well, you are in the industry, in the business.

Mr. Hopkins, Yes,

Mr. Kennedy. Do they control it?

Mr. Hopkins. Pretty much, as far as I know.

Mr. Kennedy. That is all.

The Charman. Are there any further questions?

If not, thank you.

Call the next witness.

Mr. Kennedy. Mr. Ayres.

The Chairman. You solemnly swear the evidence you shall give

before this Senart select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Ayres. I do.

TESTIMONY OF WARREN AYRES

The Chairman. State your name, your place of residence, and your business or occupation, please.

Mr. Ayres. My name is Warren Ayres. I live at 19574 Maydol, in

Southfield. I am the manager of the Vendo Cigarette Co.

The Charman. You waive counsel, do you?

Mr. Ayres. I do.

The CHAIRMAN. All right, Mr. Kennedy.

Mr. Kennedy. Mr. Ayres, you have been in the cigarette vending field in Detroit for about 25 years?

Mr. Ayres. Yes, sir.

Mr. Kennedy. You are sales manager of this cigarette company?

Mr. Ayres. Yes, sir.

Mr. Kennedy. In 1945 you received some letters from Jimmy James, from his local 23814, requesting you to join the union; is that right?

Mr. Ayres. We did, sir.

Mr. Kennedy. You ignored them until you were told by the location owners that the machines would have to be union or be removed; is that right?

Mr. Ayres. Yes. We postponed joining Mr. James' union when he first started. Then later on there was a little pressure put on.

 Λ few of the operators in town did join, so we decided to go along and we joined, also.

Mr. Kennedy. Was there any thought or consideration at that time of the employees, or was it all an arrangement between certain

of the operators and the union!

Mr. Ayres. Well, at that time, at the inception of Mr. James' local, it was more or less dealing directly with the owners, although the dues were based upon the amount of employees you had. But the employees had nothing to say as far as—well, there was nothing mentioned about the wages and hours and things like that. is, at the inception of the union.

Mr. Kennedy. It was just an arrangement between this so-called

union and the operators; is that right?

Mr. Ayres. Yes, sir.

Mr. Kennedy. About September of 1951, the Market Vending Co. came into existence; is that right?

Mr. Ayres. Yes.

Mr. Kennedy. That was a business interest of Jack "Babe" Bushkin?

Mr. Ayres. Yes. sir.

Mr. Kennedy. And it operated cigarette vending machines; is that correct?

Mr. Ayres. Yes, sir.

Mr. Kennedy. We have had some testimony about him, Mr. Chairman. He is a labor relations consultant in the city of Detroit and a close associate of Mr. Hoffa's.

Mr. Bufalino, about this period of time, called a meeting in his

Teamster headquarters, local 985 offices, did he not?

Mr. Ayres. Yes, he did.

Mr. Kennedy. Of all the representatives of cigarette vending companies who had locations in the supermarkets around Detroit?

Mr. Ayres. Yes, sir.

Mr. Kennedy. Would you relate to the committee what he said at

that time? Mr. Bushkin was present?

Mr. Ayres. Mr. Bushkin was present. Mr. Bufalino informed, I think there was five operators there who had machines in supermarkets in the city, he informed us that Mr. Bushkin had decided to go into the cigarette vending machine business and that he was going

to take all the markets in the city.

He would advise us to relinquish the markets without fighting because he would take them regardless of what we ever tried to do. So we discussed the situation pro and con and we decided that the only thing we could do, knowing that he was a labor consultant, knowing that he had the inside track, you might say, on the markets, we handed to Mr. Bushkin all the supermarkets at that time.

Mr. Kennedy. And that situation exists at the present time?

Mr. Ayres. Yes, sir.

Mr. Kennedy. He has control over all the supermarkets, does he not?

Mr. Ayres. He does.

Mr. Kennedy. Locations in all supermarkets in the Detroit area? Mr. Ayres. He does, with the exception of the Kroger chain.

The Chairman. In all except the Kroger chain?

Mr. Ayres. With the exception of the Kroger chain. Another

company operates the Kroger chain.

Mr. Kennedy. What was Mr. Bufalino, a Teamster Union official, telling you employers, operators, the fact that Mr. Bushkin was going to take over all of these supermarkets? What was he interesting himself in it for?

Mr. Ayres. Well, I never did know the exact story on it. I don't know whether there was a deal made or what, but he said he had talked to Mr. Bushkin and tried to talk him out of going into the cigarette machine business. He tried to prove to him that operating machines in the supermarkets would not be a paying proposition. But he had decided definitely to go into it so there was nothing more he could do about it.

Mr. Kennedy. Why would Mr. Bushkin be so successful in taking

over the supermarkets?

Mr. Ayres. Well, the supermarkets turned out to be a pretty paying proposition, if you have enough of them.

Mr. Kennedy. Why would Mr. Bushkin be so successful in taking

them?

Mr. Ayres. Well, Mr. Bushkin, being a labor consultant, could go to any supermarket chain in the city and, we might say, promise them having no trouble in their chain, no trouble with their clerks, and he could write his own ticket as far as the vending machine was concerned.

Mr. Kennedy. In order to do that successfully, he had to have

some connections also with the union, did he not?

Mr. Ayres. Yes, sir; very definitely.

Mr. Kennedy. What unions did he have connections with?

Mr. Ayres. The Retail Clerks.

Mr. Kennedy. His brother or he——

Mr. Ayres. His brother, as I understand, is an agent for the Retail Clerks.

Mr. Kennedy. Which at that time was in the Teamster Union headquarters building; is that right?

Mr. Ayres. Yes, sir.

Mr. Kennedy. Did you understand he and his partner were close associates of Mr. Hoffa's during this period of time?

Mr. Ayres. Yes, sir.

Mr. Kennedy. So you felt he would be successful in taking over these supermarket locations if he so wished?

Mr. Ayres. Well, we couldn't do much about it. He was going to

take them over, so successful or not, we had to give them up.

Mr. Kennedy. So you all gave them up to him?

Mr. Ayres. Yes, we did.

Mr. Kennedy. It is of some interest that the Market Vending Co., on December 4, 1951, had some 90 locations, and as of March of 1959 this company has approximately 800 locations in the Detroit area. So he has grown considerably, has he not, that company?

Mr. Ayres. He is the fastest growing operator in the State of

Michigan.

Mr. Kennedy. Do you think or believe that it is because of his union

connections that he has been so successful?

Mr. Ayres, I definitely do, although as I understand, there are several friends—naturally, being in the labor movement as long as he

has, he has several influential friends to help him get locations, but I definitely feel his labor relations has helped him considerably.

Mr. Kennedy. Have you found certain Teamster Union officials

who have also gone into this business?

Mr. Ayres. Well, yes. We have had two others in our city.

Mr. Kennedy. Who are they!

Mr. Ayres. We had one by the name of Schuller, Mr. Schuller.

Mr. Kennedy. Schuller?

Mr. Ayres. Schuller, business agent for the Teamsters; and Morrie Coleman, also a business agent.

Mr. Kennedy. Have they been successful in obtaining locations?

Mr. Ayres. They have been very successful.

Mr. Kennedy. Is that also because of their union connection?

Mr. Ayres. In my opinion, it is; yes.

Mr. Kennedy. It is a tremendous advantage, is it not, to have this connection in obtaining locations?

Mr. Ayres. It is in our city: yes.

Mr. Kennedy. Because of the fact that you can promise labor peace? Mr. Ayres. Well, they promise labor peace. There has been talk of what you might call sweetheart contracts, one thing and another. I have never had any definite proof, but in my opinion it is a great feather in their cap to operate that way.

Mr. Kennedy. Anyway, they have been unusually successful in

these operations?

Mr. Ayres. They have; yes. sir.

Mr. Kennedy. Did you have some dispute with Mr. Bufalino and the

local on the question of payment of dues back in 1952?

Mr. Ayres. Yes, we did. Our contract expired around June in 1952, and Mr. Bufalino wanted to renew it. We were quite reluctant to do so. We didn't figure, first, that our men should pay \$5 a week for the privilege of servicing cigarette machines which had been going on for about 3 years, and, furthermore, we knew that we were in violation of a law by keeping our books the way we had been.

Mr. Kennedy. In what way were you in violation of the law?

Mr. Arres. Well, the way the books were set up at that time, we were paying our servicemen's dues.

Mr. Kennedy. You weren't deducting them?

Mr. Ayres. No.

Mr. Kennedy. You were paying them directly?

Mr. Ayres. Paving them directly.

Mr. Kennedy. That was a violation of the Taft-Hartley Act?

Mr. Ayres. Yes, sir.

Mr. Kennedy. Did you bring that to Mr. Bufalino's attention?

Mr. Ayres. We did.

Mr. Kennedy. Was it suggested that you raise the wages and then deduct them, go through that formality?

Mr. Ayres. That is right. Mr. Bufalino said raise the boys \$5 a

week and take it off their pay.

Mr. Kennedy. What did you find out about that?

Mr. Ayres. Our attorney advised them at that time that we could not give that much of a raise. The stabilization law was in effect and we couldn't give our men \$5 a week raise. The most we could give them was around \$1.50, I believe, at that time.

Mr. Kennedy. So what happened?

Mr. Ayres. So we negotiated for a few months and then just broke off negotiations; we dropped it completely.

Mr. Kennedy. So you won that dispute?

Mr. Ayres. No, we didn't win it. Mr. Kennedy. What happened?

Mr. Ayres. We stayed away from it. There were several operators in town that were in the same situation that we were. We tried to stay out of the union, not because we didn't want some union, but we didn't like Mr. Bufalino's setup.

So in February 1953, our place was dynamited. They threw six sticks of dynamite, some unknown person threw six sticks of dynamite in the rear of our garage, causing a damage of approximately \$5,000.

Mr. Kennedy. Were any of the other group, any of the other members of the group that were also staying away from Mr. Bufalino, were their places dynamited?

Mr. Ayres. Yes. One other place was dynamited 3 months before

ours.

Mr. Kennedy. Michigan Vending? Mr. Ayres. Michigan Vending; yes.

Mr. Kennedy. Did that bring about a change of heart? Mr. Ayres. It softened up quite a few of the boys; yes.

Mr. Kennedy. Did you decide to get back into the union?

Mr. Ayres, Yes.

Mr. Kennedy. And you signed up under his terms?

Mr. Ayres. Yes.

Mr. Kennedy. Did you feel this was a warning to you?

Mr. Ayres. Well, we though it had been; yes.

Mr. Kennedy. It was more than a warning to you?

Mr. Ayres. Well, yes. You can put it several different ways. We figured the best thing to do was we had held out a long while; we tried to do the thing legallike, and that didn't succeed. We decided the only thing we could do at that time was to get back in.

Mr. Kennedy. Did the police come out and attempt to solve the

dynamiting?

Mr. Ayres. The night the dynamiting occurred we had practically every top brass of the Detroit Police Department at our place. We had the arson squad, we had the cleanup, we had the inspector crew and special investigation. They were all very much interested in when it happened and how it happened and why it happened.

The Detroit papers had a subheadline a couple of days on it and then the interest dropped and we heard nothing more about it. It was never solved, nothing said about it, with the exception that about a week or 10 days later a couple of detectives stopped by and asked if we heard anything about it. That was the end of the episode.

Mr. Kennedy. Did you have any explanation as to why there was

not a more vigorous explanation?

Mr. Ayres. No. We never knew exactly why they didn't try to find the person that did it. But in the previous bombing of Michigan Vending it was the same thing. Frankly, in my opinion they didn't make too much of an effort to try to find it. It is a pretty tough situation to find just who would do a thing like that.

Mr. Kennedy. Do you know a police officer by the name of James

Blessington?

Mr. Ayres. I have never met the gentleman. I have heard of him.

Mr. Kennedy. What squad was he on?

Mr. Ayres. Special investigation.

Mr. Kennedy. What were they charged with? What was their

responsibility?

Mr. Ayres. They were charged with investigating things such as ours. They investigated the unions. They investigated any bombings or dynamitings or any suspicious activities of any group.

Mr. Kennedy. Do you know his daughter worked for local 985?

Mr. Ayres. Yes.

Mr. Kennedy. The daughter of Detective Blessington worked for local 985 with whom you were having the dispute at that time.

Mr. Ayres. Yes.

Mr. Kennedy. And Investigator Krug, was he the head of the squad?

Mr. Ayres. Yes.

Mr. Kennedy. And his wife worked at Northville Downs Racetrack; is that right?

Mr. Ayres. I never knew his wife.

Mr. Kennedy. Did you know his wife worked out there?

Mr. Ayres. No, I never did.

Mr. Kennedy. That is where the Teamsters made a very large loan. Senator Mundt. Do you have any conflict-of-interest ordinance in the city of Detroit pertaining to this type of situation?

Mr. Arres. Well, not that I know of.

Senator Mund. All you know is that they dynamited your place and never found out who did it and apparently never tried very hard?

Mr. Ayres. That is my opinion; yes, sir. Senator Mundr. That is your opinion.

Maybe you didn't know about this conflict of interest until you came

here today. Apparently you didn't know about this man's wife.

Mr. Ayres. I never knew that; no, sir. The only one I knew that had any connection at all with the Teamsters, and I never knew him personally, was Mr. Blessington, and I knew that his daughter worked for Mr. Bufalino.

Mr. Kennedy. Did the fact that you didn't feel that you were receiving sufficient police attention play a role in your ultimately sign-

ing up again with local 985?

Mr. Ayres. Well, not necessarily. We figured although in a way—I wouldn't want to condemn the Detroit Police Department; we have a very fine police department in our city. But it might have in some way influenced us, yes, when you have a situation like we had, and you feel as though you weren't getting the exact cooperation from the police department, although they tried, probably tried. But those things are pretty hard to solve.

Mr. Kennedy. I am not condemning the Detroit Police Department either. There are certain elements in the Detroit Police Department who have been extremely helpful to this committee, so we are extremely grateful for the help and assistance that we receive from

certain groups in the Detroit Police Department.

Senator Mund. Let me put the question this way: Had the investigation of the police department found the people who had dynamited your plant and punished them, you might not have been under

the same compulsion to rejoin the union as you were when nobody found the culprit; is that right?

Mr. Ayres. That is very true, very true.

Mr. Kennedy. Mr. Ayres, then in 1954 you joined up with a man by the name of Charles "Chuck" Morgan; is that right?

Mr. Ayres. Yes, sir.

Mr. Kennedy. He was to try to bring labor peace for you?

Mr. Ayres. Well, that was the general idea. After we had gotten back into the union, which was after our trouble, then we were still having a little difficulty with certain operators in the city, so Mr. Morgan formed what they called the United Vendors of Michigan.

Mr. Kennedy. And he was closely associated, supposedly, with

Mr. Bufalino?

Mr. Ayres. Yes, sir.

Mr. Kennedy. Was that successful?

Mr. Ayre. Well, it was successful for a little while. He started the thing off pretty good, and it did, in my opinion, make a lot of peace around town for a while. There were some of the operators that were a little, you might say, wanting to go out and increase their business, and when they were signed up in the association, that put it at a very minimum.

As far as your locations were concerned, the molesting of locations, let's put it, were cut to a minimum, for awhile.

Mr. Kennedy. That did not last long?

Mr. Ayres. Not too long; no.

Mr. Kennedy. Do you find or have you found that Mr. Bufalino and the union favor certain operators in the city of Detroit?

Mr. Ayers. I have heard it said that there is favoritism shown.

Mr. Kennedy. I mean, do you know from your personal experience?

Mr. Ayres. I know of no personal experience; no.

Mr. Kennedy. That is all, Mr. Chairman.

The CHAIRMAN. All right. Thank you very much.

Mr. Kennedy. Mr. Chairman, the attorney is here now.

The Charman. Senator Mundt has to leave and the quorum may be broken in a few minutes.

Mr. Gorman, will you come forward, please? Be sworn.

You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Gorman. I do.

TESTIMONY OF RICHARD E. GORMAN

The Chairman. State your name, your place of residence, and

profession.

Mr. Gorman. Richard E. Gorman. My office is at 1 North LaSalle Street, Chicago, Ill. I am an attorney, licensed to practice in the State of Illinois.

The Chairman. You represent Mr. Eugene James?

Mr. Gorman. Pardon, Senator? The Chairman. Eugene James?

Mr. Gorman. Yes, I do.

The Chairman. He appeared here this afternoon and waived counsel. I understood that you were going to represent him in his appearance here. However, he waived counsel.

Mr. Gorman. May I make a short statement in that connection,

Senator?

The Chairman. Yes. Let the Chair finish and then you may make

a short statement.

That is not important either way, but in the course of the interrogation of him, the statements were made to the effect, in fact, by chief counsel, that it is his information from you that a union was actually paying your attorney fees in connection with your defense of him in the case in which he is charged with embezzlement of union funds, or in which the Internal Revenue Service is seeking to recover taxes on the alleged embezzled funds.

That is the question that I wanted to get straightened out. It is a matter of concern to the committee that a union would be paying for attorney fees for the defense of someone who may have embezzled

union funds.

You may make a brief statement. I just wanted to get the picture

before vou.

Mr. Gorman. May I state for the record that, of course, I am appearing here voluntarily, that I have represented Mr. James, I have represented Local 46 of the Laundry Workers Union over the past 2 years, and I have represented the Laundry Workers International over the past 2 years.

I have received compensation from both the Laundry Workers International and also from local 46 in connection with the services

that I have rendered.

Senator Mund. Is the Laundry Workers International Union the one of which Mr. James is vice president? Are there two unions?

Mr. Gorman. He formerly was connected with the Laundry Workers International as secretary-treasurer of the Laundry Workers International. I believe that is correct. He now is secretary-treasurer of local 46. That is the Chicago local.

Senator Munder. Of the Laundry International?

Mr. Gorman. Of the Laundry Workers International; yes. That is correct, Senator.

The Chairman. Is that the one that he is alleged to have taken the

money from?

Mr. Gorman. I might say this in that connection, Senator. You have mentioned that the Internal Revenue Department has alleged that the funds were embezzled from the Laundry Workers International. I think they would take issue with that statement.

The Chairman. I didn't say they were embezzled. They allege it is income on which they pay taxes, and the defense is being made that

it is not taxable because it was money that is embezzled.

Mr. Gorman. That is correct. May I also say——

The Chairman. Now, then, in that connection, the question is: Is the union paying the attorney fees for making that defense?

Mr. Gorman. The union is paying the attorney fees. I don't know

that I can say——

The Chairman. Well, you are making that defense and the union is paying the attorney fees for it.

Mr. Gorman. The union is paying the attorney fees; yes.

Senator Munder. Is the union paying the attorney fees—I am not talking about your appearance for Mr. James; I understand that the union is paying that—but is the union also paying your fees as an attorney in representing Mr. James in the trouble he is having with the Internal Revenue Service!

Mr. Gorman. Yes; my understanding is that is by executive order,

approved by the membership.

Senator Munder. Is this the same union from which he is presumed

to have embezzled the funds?

Mr. Gorman. May I say in that connection that that case is presently pending in the district court in Chicago, and I question the propriety of the committee interrogating me or asking me about that case while

it is presently pending.

Senator MUNDT. We are not going into the merits of the case, but we are trying to establish for the record something which has aroused a lot of curiosity on our part: whether or not union members who allegedly have lost part of their dues through embezzlement are now paying an attorney to protect the man who allegedly embezzled their money? That is the part that disturbs us.

Mr. Gorman. Well, you see, Senator, that is one of the issues in the case, as to whether or not the money was embezzled and, if it was em-

bezzled, from whom it was embezzled.

Senator Mundr. I didn't think that was an issue. I thought that your claim was that it had been embezzled; that you asserted that.

Mr. Gorman. Well, of course, the Government contends that is not

Senator Munder. I understand the Government claims he owes them

tax money for taxable income.

Mr. Gorman. If I might explain, the money that is concerned in the tax case is money which was paid in the form of premiums to an agent of the Security Mutual Life Insurance Co. of New Jersey, and that is the source of the funds that the Internal Revenue Department contends tax should be paid on by Mr. James.

Senator Mundr. Your contention is that it is nontaxable because

this money was embezzled by Mr. James?

Mr. Gorman. That has been the contention; yes.

Senator Mund. So the people who presumably lost the money through embezzlement are paying for the defense of the embezzler if, in fact, he is an embezzler?

Mr. Gorman. Well, as far as anyone losing any money, that money has been entirely returned to the Laundry Workers International, to the Welfare Department of the Laundry Workers International.

Senator Munor. But had it not been returned, they would have been

the loser.

Mr. Gorman. That is the question up for issue. It might have been the Security Mutual Life Insurance Co. that was the loser.

The CHARMAN. But for Mr. James to prevail, for him to win his lawsuit, your contention will have to be sustained, and that is that the money was embezzled.

Mr. Gorman. That is correct, Senator. And he is also under indict-

ment in the State of New Jersey.

The Chairman. I understand. And your fees are being paid out of a union treasury for presenting that defense for one who is alleged to have embezzled money, or one who you maintain has embezzled it.

Mr. Gorman. Well, I doubt that the local is paying our fee for presenting that defense, but they are paying us for representing him.

The CHARMAN. Whether it is local or international, it wouldn't make any difference. It is coming out of union funds.

Mr. Gorman. That is correct.

The CHAIRMAN. And whether it is local money or international money, that money comes out of workers' dues that they pay into the organization.

Mr. Gorman. That is correct.

Senator Mundt. And Mr. James lives in Illinois; right?

Mr. Gorman. He does; yes, sir.

Senator Mund. Have the authorities in Illinois indicted him for embezzlement?

Mr. Gorman. No; they have not.

Senator Munds. If the charge is sustained, they would have to do that, wouldn't they?

Mr. Gorman. I doubt that they could at this juncture. Senator Mundr. The statute of limitations has run?

Mr. Gorman. That is right.

Senator Mundt. Well, of course, for a layman who is not a lawyer, I get a little confused about the legal entanglements. I don't want to

ask any questions that are not proper.

It seems to me, looking at it from the outside, that there must be something improper in the business, with some \$150,000 having disappeared. Uncle Sam should get his share if it is legitimate income, and if it is not legitimate that restitution in itself is no defense.

Mr. Gorman. You are getting into a question of law.

The CHAIRMAN. Well, we have the facts, so everyone can seek legal advice as to how they should be applied or what law can be applied to it.

Mr. Kennedy. Can I ask a question?

Mr. Gorman. Surely.

Mr. Kennedy. How much money have you received in connection with this?

The CHAIRMAN. What is the fee; is that what you mean?

Mr. Kennedy. Yes.

What is the fee to be or what fee have you received in connection with your defense of Mr. James either in the embezzlement charges, which I believe exist in some court——

Mr. Gorman. I do not represent him in the embezzlement case in

New Jersey.

Mr. Kennedy. Who represents him in that?

Mr. Gorman. I doubt that he has any counsel in that.

Mr. Kennedy. He does not have any counsel?

Mr. Gorman. He is right now resisting extradition to New Jersey.

Mr. Kennedy. Who is handling that for him?

Mr. Gorman. Mr. Jason Bellows and Mr. Michael Brodkin, in Chicago.

Mr. Kennedy. Are they connected with your law firm at all?

Mr. Gorman. No. I practice as an individual.

Mr. Kennedy. Are union funds also being used so that these

attorneys can argue against extradition?

Mr. Gorman. I believe they have been paid in that manner. I am speaking of something that I don't have first-hand knowledge of.

Mr. Kennedy. What is your fee?

Mr. Gorman. I have received to date \$15,000 in connection with the defense of Mr. James.

Mr. Kennedy. And that has been union money that you have

received?

Mr. Gorman. That has been paid through local 46 of the Chicago

Mr. Kennedy. And what is the arrangement for any further fee!

Mr. Gorman. There is none.

Mr. Kennedy. Do you know what the fee of the other attorneys is who are fighting extradition to New Jersey?

Mr. Gorman. I don't know exactly. I wouldn't want to be quoted.

Mr. Kennedy. What do you understand it to be?

Mr. GORMAN. I would understand it to be in the neighborhood of around \$2,000.

Mr. Kennedy. You stated Mr. James has made restitution to the union?

Mr. Gorman. He was sued civilly by the social security department of the union, and that suit has been settled.

Mr. Kennedy. Well, how much money has he restored? how much did they sue him for?

Mr. Gorman. I didn't handle that matter, Mr. Kennedy.

Mr. Kennedy. Well, how much——

Mr. Gorman. The exact amount of the suit that was charged in the complaint I don't know.

Mr. Kennedy. How much did he restore to the union?

Mr. Gorman, The entire amount was restored to the union. Thev sued the Security Mutual Life Insurance Co., Mr. James, Mr. Saperstein, and also a Chicago bank, through which these funds were transferred.

Mr. Kennedy. So how much money was returned to the union? (At this point Senator Goldwater entered the hearing room.)

Mr. Gorman. It was something in connection with the suit—I am only making an estimate—something in the nature of \$250,000.

Mr. Kennedy. And that was returned to the union!

Mr. Gorman. That is correct.

Mr. Kennedy, So on the question as to whether union funds are involved in this, certainly from the fact that some money has been returned to the union, it indicates or shows that union funds were involved?

Mr. Gorman. No. The moneys that were returned to the union were moneys that the welfare department would have received in premiums, restoration of premiums on the experience that the Security Mutual Life Insurance Co. had.

Mr. Kennedy. Then let me ask you this, and maybe we can simplify it: In your argument, you are saying that he embezzled this money. Where are you saying that he embezzled it from?

Mr. Gorman. That hasn't been argued.

Mr. Kennedy. Well, aren't you claiming that he embezzled it from some group!

Mr. Gorman. That is correct.

Mr. Kennedy. Who are you saying or claiming he embezzled it from?

Mr. Gorman. It would appear that the money was embezzled from

the Security Mutual Life Insurance Co.

Mr. Kennedy. And this arrangement is made on a contract or arrangement between the employer and the insurance company?

Mr. Gorman. Are you speaking of the social security——

Mr. Kennedy. Initially, when the arrangements were made for the embezzlement, it was an arrangement that was made how? Would you explain it to me?

Mr. Gorman. Well, there was no arrangement made for any em-

bezzlement.

Mr. Kennedy. How did he embezzle it?

Mr. Gorman. Again, Mr. Kennedy, we are getting into the case that is being argued presently in the city of Chicago, in the district court there. I again appeal to the Chair. I think we are invading—

The Chairman. We will not go into the case. I did want to clear

this up about the attorney fee.

I have made some observations about it. I think it is scandalous in the extreme that union men who may have had their funds taken and diverted to personal use, had them embezzled, then would be required, through their union, to put up the money to defend the one

who had actually taken their funds.

I think it is something that should receive the legislative attention of the Congress. I am putting it strictly on that basis. I think it ought to be prohibited. When people work and pay dues into a union, with the idea that their working conditions, their wages and things particularly related to their employment might benefit, I think it is just outrageous when they are robbed, or their money is taken away from them, union dues, are used for the purpose of defending those who took the money away from them.

(At this point Senator Mundt withdrew from the hearing room.)

The CHAIRMAN. Is there anything further?

Mr. Kennedy. That is all.

The CHAIRMAN. Thank you very much.

Call the next witness.

Mr. Kennedy. Mr. Johnson.

The Charman. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Johnson, I do.

TESTIMONY OF SIGFRID JOHNSON

The Charman. State your name, your place of residence, and your business or occupation.

Mr. Johnson, Sigfrid Johnson, Sarasota Avenue, Detroit, Mich.

I sell builders supplies.

Mr. Kennedy. In May 1957 you bought a saloon at 4854 Michigan? Mr. Johnson. Yes, I did.

Mr. Kennedy. And in the saloon at the time was a jukebox belonging to the West Music Co.; is that right?

Mr. Johnson. Yes.

Mr. Kennedy. At that time you wanted to install a pool table for your customers, and you asked a friend, Ralph Sheldon, a vending machine salesman, to install one, and also a jukebox; is that right?

Mr. Johnson, Correct.

Mr. Kennedy. You called the West Music Co. and asked them to remove their jukebox!

Mr. Johnson, Yes.

Mr. Kennedy. And Mr. Sheldon brought in his jukebox shortly thereafter?

Mr. Johnson. Yes.

Mr. Kennedy. There were now two jukeboxes on location, so you turned the West Music Co. box to the wall; is that right?

Mr. Johnson. Correct.

Mr. Kennedy. A few hours later did you receive a telephone call?

Mr. Johnson. I did.

Mr. Kennedy. From whom did you receive the telephone call?

Mr. Johnson. The caller identified himself as John Welsh from the Teamsters Union, and he asked me if I was having trouble with the jukebox, and I told him that I wasn't.

The Chairman. Can you speak a little louder, please?

Mr. Johnson. The man identified himself as John Welsh of the Teamsters. He asked me if I was having any trouble with the jukebox, and I told him that I wasn't.

The Chairman. Can you speak a little louder, please?

Mr. Johnson. The man identified himself as John Welsh of the Teamsters. He asked me if I was having any trouble with the jukebox, and I said, "No." He asked me why I had two of them in there. I said that one was going out. He asked me which one, and I told him. He said he would send someone around to see me.

Mr. Kennedy. Did somebody come around thereafter?

Mr. Johnson. Yes.

Mr. Kennedy. Who came?

Mr. Johnson. Chuck Morgan.

Mr. Kennedy. Will you relate what happened? Mr. Johnson. Chuck Morgan came in and—

Mr. Kennedy. Who was Chuck Morgan at that time?

Mr. Johnson. Well, he represented some jukebox organization that

the man belonged to whose machine I was sending out.

He informed me that the fellow that I was trying to put in there was not a union member, and I was asking for trouble, and so forth and so on, that he was going to put a picket line up and stop my supplies if I didn't go along with the original West Music Co.

Mr. Kennedy. Did you question him as to how the association, the

representative of the association, could put up a picket line?

Mr. Johnson. No. I didn't. But I had had the call from Welsh and from the Teamsters, so I just assumed that they were all in the same boat.

Mr. Kennedy. Did he tell you that the picket line would cut off

deliveries and you would be put out of business?

Mr. Johnson. Well, he didn't say put out of business, but that would be the inference.

Mr. Kennedy. What did you tell him?

Mr. Johnson. We hassled for maybe a week or 2 weeks with two jukeboxes in the place. In the end I gave in to him and had Mr. Sheldon remove his box, and Mr. West—his box remained. On the final tour of my bar, Morgan insisted that I have the cigarette machine that was in there at the time removed and have a bona fide union man in there that was paying dues, I guess, to their organization, because the cigarette machine itself didn't come under their jurisdiction either.

Mr. Kennedy. So did you remove the cigarette machine?

Mr. Johnson, I did.

Mr. Kennedy. And you put in another cigarette machine?

Mr. Johnson. Yes.

Mr. Kennedy. What machine did you put in to replace your cigarette machine?

Mr. Johnson. Well, the name of the company that brought their

machine in was the G. & G. Vending Co.

Mr. Kennedy. How did they happen to come in? Did you request

them?

Mr. Johnson. No; I didn't request them. They came in with Morgan about a day or so after he had made the deal to put that

Mr. Kennedy. Did they just drive up with a new machine?

Mr. Johnson. Yes.

Mr. Kennedy. They appeared to know all about the problem and difficulty?

Mr. Johnson. Yes.

Mr. Kennedy. And they installed their machine!

Mr. Johnson. Correct.

Mr. Kennedy. Did you know anything about the G. & G. Vending

Mr. Johnson. No. Not at that time, nor now, either.

Mr. Kennedy. G. & G. Vending Co. is owned by Mr. Arthur Gallo and his brother Romero Gallo. Do you know anything about them?

Mr. Johnson. No.

Mr. Kennedy. Arthur Gallo has had six arrests and three convictions, including a 10-year sentence in 1935 for possession and sale of narcotics. Interestingly enough, from January to December 1952 the same Arthur Gallo who replaced this machine, and who has this bad criminal record, was secretary-treasurer of local 985 of the Teamsters.

Did you know that?

Mr. Johnson. No, I didn't.

Mr. Kennedy. In addition, the G. & G. Vending Co. was operated from the premises of Vincent Meli's company, that is, the Meltone Music Co. The records show that Vincent Meh initially was a third partner in G. & G. That was in 1948. But the records show even up until 1955 that Vincent Meli was receiving money from this company.

The first individual, Mr. Sheldon, he was a friend of yours whose

machine you wanted to put in there?

Mr. Johnson. Yes.

Mr. Kennedy. At that time, he had no employees; is that correct!

Mr. Johnson. Well, he had one fellow that did service for him.

Mr. Kennedy. Even at that time!

Mr. Johnson, Yes.

Mr. Kennedy. Did you know if he had been in the union at one time?

Mr. Johnson. Well, he told me that he had belonged to the union, but he had gotten out of it because he didn't like the way it was run.

Mr. Kennedy. And you were forced to change your machines under threats of cutting off of your pickups and deliveries unless you put these two other machines in there?

Mr. Johnson. Correct.

Mr. Kennedy. It is an example, Mr. Chairman, of the union and the association working together to gain business for a hoodlum-run company, the G. & G. Co.

That is all.

The Chairman. Are there any questions? If not, thank you very much.

The committee will stand in recess until 10:30 tomorrow morning, and at that time we will convene in the caucus room in the Old Senate Office Building.

(Members of the select committee present at the taking of the recess

were Senators McClellan and Goldwater.)

(Whereupon, at 4:45 p.m., the hearing was recessed, to reconvene at 10:30 a.m., Thursday, April 9, 1959, in the caucus room of the Senate Office Building.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

THURSDAY, APRIL 9, 1959

U.S. SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D.C.

The select committee met at 10:43 a.m., pursuant to Senate Resolution 44, agreed to February 2, 1959, in the caucus room of the Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, of Arkansas.

Also present: Robert F. Kennedy, chief counsel; Walter R. May, assistant counsel; John P. Constandy, assistant counsel; Arthur G. Kaplan, assistant counsel; Sherman S. Willse, investigator; Ruth Young Watt, chief clerk.

The Chairman. The committee will be in order.

(Members of the select committee present at the convening of the

session: Senator McClellan.)

The Charman. Yesterday we recessed until 10:30 this morning. At that time we thought we would have a quorum and could proceed with the hearings as scheduled. However, some things have intervened since and we now find that none of the other members of the committee can be present this morning. Most of them, if not all—so far as I know all of them—are engaged in other legislative duties that make it impossible for them to attend this morning's session. Therefore the committee cannot proceed to hear witnesses in public hearings without a quorum, and under the rules of the committee, two members must be present to constitute a quorum for that purpose.

Therefore, the committee will have to recess again until 10:30 in the morning, at which time I am reasonably assured a quorum will be

present and the hearings will proceed.

The hearings tomorrow, I may advise, will be in room 1202, New

Senate Office Building.

(Whereupon, at 10:45 a.m. the select committee recessed to reconvene at 10:30 a.m., Friday, April 10, 1959, in room 1202, Senate Office Building.)

17513

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

FRIDAY, APRIL 10, 1959

U.S. SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D.C.

The Select Committee met at 11 a.m., pursuant to Senate Resolution 44, agreed to February 2, 1959, in room 1202, Senate Office Building, Senator John L. McClellan (chairman of the Select Committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Karl E. Mundt, Republican, South Dakota; Senator Homer E. Capehart, Republican, Indiana; Senator Carl T. Curtis, Republi-

can, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Walter R. May, assistant counsel; John P. Constandy, assistant counsel; Arthur G. Kaplan, assistant counsel; Sherman S. Willse, investigator; Pierre E. G. Salinger, investigator; Walter C. DeVaughn, investigator; B. Franklin Herr, Jr., investigator: Robert E. Manuel, assistant counsel; Ruth Y. Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Members of the Select Committee present at the convening of the session were Senators McClellan and Mundt.)

Mr. Kennedy, call the first witness. Mr. Kennedy. Mrs. Anderson.

The CHAIRMAN. Come forward, please. Be sworn.

You do solemnly swear that the evidence you shall give before this Senate Select Committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mrs. Anderson, I do.

TESTIMONY OF MRS. ANNIE MAY ANDERSON

The Chairman. State your name, your place of residence, and your business or occupation, please.

Mrs. Anderson. My name is Annie May Anderson. I live at 2566

Pennsylvania. I washes cars. That is my occupation.

The CHAIRMAN. In what city do you live?

Mrs. Anderson. Detroit, Mich.

The Chairman. In Detroit, Mich. And you wash automobiles? You work at a garage or someplace where they wash cars?

Mrs. Anderson. I do.

The CHAIRMAN. And you work as a car washer?

Mrs. Anderson. That is right.

The CHAIRMAN. What is the name of the place? Mrs. Anderson. Tony's Five-Minute Auto Wash.

The CHAIRMAN. Where is it located? Do you know the street address?

Mrs. Anderson. It is on Seven Mile, but I don't know the address.

The CHAIRMAN. Do you know what street it is on?

Mrs. Anderson. It is on Seven Mile.

Mr. Kennedy. It is 13724 East Seven Mile Road, Detroit.

The Chairman. Do you have an attorney to represent you or do you desire the advice of counsel?

Mrs. Anderson. I don't understand.

The Chairman. I mean, do you want a lawyer?

Mrs. Anderson. No, I don't.

The Chairman. You don't need a lawyer?

Mrs. Anderson. No.

The Chairman. All right, Mr. Kennedy, you may proceed.

Mr. Kennedy. Mrs. Anderson, how long have you been working in car washes?

Mrs, Anderson. Ever since the latter part of 1954 and the early part of 1955.

Mr. Kennedy. Where were you working originally, Mrs. Anderson?

Mrs. Anderson. At Tony's Five-Minute Auto Wash.

Mr. Kennedy. Have you always worked at Tony's Five-Minute? Originally, when you first went to work for an auto wash, where were you working?

Mrs. Anderson. At Steam Auto Wash at Miller Road and Van Dyke.
Mr. Kennedy. How much were you receiving? First, would you
tell the committee what hours you were working at the Steam Heat

Auto Wash (

Mrs. Anderson. I was working 10 hours a day for 7 days a week.

Mr. Kennedy. What time in the morning did you go to work?

Mrs. Anderson, I went to work at 8 in the morning and got off at 6 in the afternoon.

Mr. Kennedy. And you worked 7 days a week?

Mrs. Anderson. I worked 7 days a week. Mr. Kennedy. That is 70 hours a week?

Mrs. Anderson. Seventy hours a week.

Mr. Kennedy. How much were you getting paid for that?

Mrs. Anderson, \$35 dollars a week.

Mr. Kennedy. While you were working there, did the union come in and attempt to organize you?

Mrs. Anderson. Yes, the union came in. Newman and Shaw came in.

Mr. Kennedy. And you understood they were two business agents of the union?

Mrs. Anderson, Yes, I did.

Mr. Kennedy. That is Albert Newman and Jewell, or Bill, Shaw: is that right?

Mrs. Anderson. That is right.

Mr. Kennedy. What did they promise you at that time?

Mrs. Anderson. They asked the employees at Steam Auto Wash if we would join the union, that they would shorten our hours and get us more pay. There was another woman working there with me.

So he told us women if we would join the union that they would get us

shorter hours and get us more pay.

Mr. Kennedy. This is back where you worked originally in 1954, when business agents of the union came in. They promised that they would arrange for a steward there that you could take your complaints to?

Mrs. Anderson. Yes, they did.

Mr. Kennedy. And for the women you would only have to work 40 hours a week?

Mrs. Anderson. That is right.

Mr. Kennedy. And that there would be 10 cents a day deducted from your salary to pay the union dues for the services!

Mrs. Anderson. That is right.

Mr. Kennedy. Did you sign an application card and a dues authorization card at that time?

Mrs. Anderson. No. We had to put our names on a piece of paper the first day they came out there.

Mr. Kennedy. Did you put your name on a piece of paper?

Mrs. Anderson. Yes, I did.

Mr. Kennedy. What did you hear next?

Mrs. Anderson. One day I was off of work, and when I got back to work they told me that Newman and Shaw had been back out there and that they had talked with the boss. So then the boss had some white cards for us to sign, so we had to sign those.

Mr. Kennedy. Did you sign the cards?

Mrs. Anderson. Yes, I did.

Mr. Kennedy. What happened then? Did you become a member of the union?

Mrs. Anderson. Well, he didn't explain it to us until next Sunday, which was payday.

Mr. Kennedy. What happened on payday?

Mrs. Anderson. He told us we had signed our names to a paper that we wanted to be in a union, and after we wanted to be in the union, he was going to have to cut our pays \$10, which the union didn't require him to pay us but \$25 a week.

Mr. Kennedy. All the union contract required was that you get paid

\$25 a week?

Mrs. Anderson. \$25 a week.

Mr. Kennedy. So nonunion you were getting paid \$35 a week?

Mrs. Anderson. \$35 dollars a week.

Mr. Kennedy. So you joined up with the union and your pay was cut to \$25 a week?

Mrs. Anderson. That is right.

Mr. Kennedy. And that is for a 70-hour week; is that right?

Mrs. Anderson. That is right.

Mr. Kennedy. Did you call the union and protest?

Mrs. Anderson. The union told us that we had pointed out a man for steward, so we went to this man and asked him would be call the union, so he did. He called the union building downtown, and asked to speak to Newman. But Newman wasn't in at the time. So when Newman came in, he got the message and he called back. He told the man that we had appointed for steward—the man explained to him that our wages had been cut, and he explained to this man, and told

him that there wasn't nothing he could do, because our union hadn't been organized.

Mr. Kennedy. There wasn't anything that they could do for you?

Mrs. Anderson. There wasn't anything.

Mr. Kennedy. Did he say they hadn't organized you?

Mrs. Anderson. Yes, he said the union hadn't been organized.

Mr. Kennedy. Did you quit your job then?

Mrs. Anderson. I quit.

Mr. Kennedy. These were representatives of local 985?

Mrs. Anderson. That is right.

Mr. Kennedy. Did you ever find whether you were in the union or not?

Mrs. Anderson. No, I didn't.

Mr. Kennedy. You just quit your job at that time?

Mrs. Anderson. I just quit.

Mr. Kennedy. Where did you go to work then?

Mrs. Anderson. At Spic and Span.
Mr. Kennedy. How long did you work there? Is that also known as Dukes' Five-Minute Auto Wash?

Mrs. Anderson. It was Spic and Span then, but Dukes was the

manager.

Mr. Kennedy. All right. Then you went to work there; is that right?

Mrs. Anderson. That is right.

Mr. Kennedy. Did they ask you whether you belonged to the union?

Mrs. Anderson. Bill Stradder.

Mr. Kennedy. Bill Stradder is one of the partners; is that right?

Mrs. Anderson. That is right.

Mr. Kennedy. He asked if you were a member of the union and you told him you were?

Mrs. Anderson. I told him I signed the card.

Mr. Kennedy. What happened then?

Mrs. Anderson. Then he asked me did I understand I would have to pay 10 cents a day union dues. I told him yes, and I had to sign another card then.

Mr. Kennedy. Did you then go to work for them?

Mrs. Anderson. Yes, I did.

Mr. Kennedy. To pay the 10 cents a day for the 7 days or 6 days?

Mrs. Anderson. Six days.

Mr. Kennedy. And you got 1 day free; is that right?

Mrs. Anderson. Yes, Sunday was free.

Mr. Kennedy. You didn't have to pay the 10 cents on Sunday?

Mrs. Anderson. No, I didn't have to.

Mr. Kennedy. How much were you going to make there?

Mrs. Anderson. \$30 a week.

Mr. Kennedy. This is, again, for 70 hours?

Mrs. Anderson. That is right.

Mr. Kennedy. Did you ever receive a union card?

Mrs. Anderson. No; I didn't.

Mr. Kennedy. This is local 985 that you were in?

Mrs. Anderson. That is right.

Mr. Kennedy. That is the local of Mr. Bufalino? Did you ever have any contact with him?

Mrs. Anderson. Not Mr. Bufalino; I did not.

Mr. Kennedy. It was with local 985? Mrs. Anderson. Yes; that is right.

Mr. Kennedy. Were you ever notified of a union meeting?

Mrs. Anderson. No; I wasn't.

Mr. Kennedy. Were you ever notified of a union election?

Mrs. Anderson. No; I wasn't.

Mr. Kennedy. Did any of the union officials ever visit the car wash?

Mrs. Anderson. Yes; they did.

Mr. Kennedy. Did they ever consult with you or talk to you?

Mrs. Anderson. No; they didn't.

Mr. Kennedy. Who visited the car wash? Mrs. Anderson. It was Newman and Shaw.

Mr. Kennedy. And they never spoke to the employees?

Mrs. Anderson. No, they didn't.

Mr. Kennedy. Newman and Shaw; is that right?

Mrs. Anderson. That is right.

Mr. Kennedy. Subsequently, Mrs. Anderson, Mr. Stradder, the partner of Dukes, he left and went to open his own place; is that right?

Mrs. Anderson. That is right.

Mr. Kennedy. That was in Mount Clemens, Mich.?

Mrs. Anderson. That is right.

Mr. Kennedy. Did you go to work there?

Mrs. Anderson. Yes; I went with him when he left Dukes, bought his business, went with him to Mount Clemens.

Mr. Kennedy. Were you a member of the union then?

Mrs. Anderson. Well, I was still paying the 10 cents a day.

Mr. Kennedy. How much were you making there?

Mrs. Anderson. I was making \$35 a week.

Mr. Kennedy. When you went to Mount Clemens?

Mrs. Anderson. That is right.

Mr. Kennedy. So you were paying the 10 cents. Was the union doing you any good there?

Mrs. Anderson. No; it wasn't.

Mr. Kennedy. Did you have any conversations then with the owner?

Mrs. Anderson. Well, one day when Shaw and Newman came out to Mount Clemens, I asked Shaw if he had a moment I would like to speak to him. So he told me whenever he come back out he would talk with me.

So when he came back out, I caught up with him, and I said, "Shaw, you come out here and go straight to the office; you never talk to us, you never tell us anything. We don't have nobody to complain to, nobody to protect us. We don't have a steward. What I want to know is what we are paying dues for."

And he said, "To protect your job." I said, "Protect what job? If something was to go wrong, our boss was to do us wrong, we

wouldn't have nobody to go to."

He said "In case your boss do you wrong, you have to go find you another job."

So after he left, I went to my boss and explained to my boss what he had told me, and that I wasn't going to pay any more union dues, because the 60 cents meant as much to me as it did to them, and they wasn't doing anything for us, wasn't giving us any protection. It was Bill Stradder that I went to. I told him Bill told me I could not pay union dues and work with the other employees if they were paying dues.

I said, "Well, if I got to keep paying dues, I will go to other locals and keep to begging and trying to plead with them and find out what is wrong with this local, if something is wrong, they

wouldn't give us any help."

He said, "Annie, don't do that, because you will get yourself in trouble, you will get us in trouble and a lot more people in trouble."

So I told him, "Bill, you know I have a daughter to take care of and that 60 cents would mean a lot more to me in my pocket than to Newman and Shaw in their pocket."

And he said, "If you feel that way, you don't have to pay any more

union dues, but just don't tell the other employees about it."

I promised him I wouldn't.

Mr. Kennedy. He said you wouldn't have to pay the union dues? Mrs. Anderson. Yes.

Mr. Kennedy. You told him at that time that you would go to another union?

Mrs. Anderson. Another local to try to get some help, to ask them what was wrong with our local, and why wouldn't they give us protection, why wouldn't they give us protection. I told Bill that I would go to another local.

Mr. Kennedy. At that time, you were supporting your daughter,

who was about 15 years old?

Mrs. Anderson. Yes.

Mr. Kennedy. And you were getting paid how much?

Mrs. Anderson. At Bill's?

Mr. Kennedy. No, at the place where you had this conversation, Mount Clemens.

Mrs. Anderson. \$35 a week.

Mr. Kennedy. And your daughter was 15 years old?

Mrs. Anderson. Fifteen years old then.

Mr. Kennedy. And did this 60 cents a week make a big difference? Mrs. Anderson. Yes, it did. I mean because if it carried me 4 weeks I was paying \$2.80 a month, and if it carried 5 weeks, which was 5 Sundays in a month, I had to pay \$3.50. I could take that \$3.50 and keep putting it together and in 2 or 3 months I would have enough to get my daughter a skirt, a sweater, even have enough to get her a pair of shoes with. That is what I explained to Bill.

Mr. Kennedy. Why were you working in a car wash in the first

place, Mrs. Anderson?

Mrs. Anderson. Because the first of 1954, the doctor told me that I couldn't work inside. I had to have a job on the outside. That is the only job that I could find was a car wash on the outside.

Mr. Kennedy. Do you find it difficult to get by on that amount of

money?

Mrs. Anderson. Pardon? I didn't understand you.

Mr. Kennedy. Do you find it difficult to support yourself and your daughter?

Mrs. Anderson. Yes, it is; very difficult.

Mr. Kennedy. And when you are working 70 hours a week and you get paid \$35 and the union deducts the 60 cents a week, 10 cents a

day?

Mrs. Anderson. Yes. Then I have to pay my Social Security. I had to pay more than 60 cents a week out of it. I had to pay Social Security and something else. I mean, I don't understand it, but it was two or three more things we had to pay out.

Mr. Kennedy. Has the union ever done you any good, Mrs.

Anderson?

Mrs. Anderson. No, they haven't.

Mr. Kennedy. Have they ever taken up any of your complaints?

Mrs. Anderson. No, they haven't.

Mr. Kennedy. Have you seen a copy of your contract?

Mrs. Anderson. No, I haven't.

Mr. Kennedy. And you haven't been informed by any meetings of the union?

Mrs. Anderson. No, I haven't.

The Chairman. How many are employed there where you work?

Mrs. Anderson. Now?

The Chairman. As car washers; yes.

Mrs. Anderson. At Dukes' now? The Chairman. Wherever you are working.

Mr. Kennedy. From Mount Clemens you went back to Dukes'; is that right?

Mrs. Anderson. That is right.

Mr. Kennedy. How much do you make now at Dukes'?

Mrs. Anderson. Twenty-five dollars.

Mr. Kennedy. Twenty-five dollars a week at Dukes'?

Mrs. Anderson. That is right. Mr. Kennedy. For 70 hours?

Mrs. Anderson. Yes.

a week doing that work?

The Chairman. Is that salary? They pay you \$25 a week, and do not pay you by the hour or car, or anything?

Mrs. Anderson. No. They guarantee us \$25 a week.

The CHAIRMAN. Do you frequently exceed the guarantee? That is, do you get more? Do you make more than the \$25?

Mrs. Anderson. No, I don't, unless I Simoniz cars. He pays me a dollar and a half extra. That is the only extra money I make.

The CHAIRMAN. In other words, the carwashing where you are guaranteed \$25 a week, you are not able to make more than the \$25

Mrs. Anderson. No, sir, I am not.

The CHAIRMAN. So if you don't have any Simonizing, you make no extra money ?

Mrs. Anderson. That is right.

The CHAIRMAN. And do you have much of that?

Mrs. Anderson. Simonizing? No, not too much, not after the holiday.

The Chairman. Is that after-hours work?

Mrs. Anderson. Yes, it is.

The Chairman. Do you mean after you put in your 10 hours car washing, then if there is some Simonizing to do, you may get to do that in extra hours work?

Mrs. Anderson. Yes, sir, I do.

The Chairman. So if you make any extra money, you have to work longer than 10 hours?

Mrs. Anderson. That is right.

The CHAIRMAN. For the 10 hours, \$25 is all you ever get any time?

Mrs. Anderson. That is right.

Mr. Kennedy. And that is 7 days a week?

Mrs. Anderson. You have to put in 7 days at 70 hours to get the \$25.

The Chairman. You have to put in 70 hours?

Mrs. Anderson. Yes.

The Charman. If you miss 2 or 3 hours, there is a deduction? Mrs. Anderson. If you miss the day it is a deduction.

The CHAIRMAN. If you miss a day there is a deduction?

Mrs. Anderson. That is right.

The Charman. In other words, you wouldn't get \$25 for a 6-day week?

Mrs. Anderson. No, sir.

The Chairman. How long have you been working at this place where you are now working?

Mrs. Anderson. Well, I just came back right after Christmas.

The CHAIRMAN. After Christmas?

Mrs. Anderson. Yes. The Chairman. You have been there some 3 months, then?

Mrs. Anderson. Yes, going on 3 months. The Chairman. How long did you work there before?

Mrs. Anderson. I worked there during 1955 and I think up until 1956. Then I went with Bill.

The CHAIRMAN. So during the time that you belonged to the union wherever you worked you got no benefit from it whatsoever?

Mrs. Anderson. No, sir; I did not.

The Chairman. In one instance you got your wages cut \$10 a week? Mrs. Anderson. Yes, sir.

The CHAIRMAN. That was immediately after you joined?

Mrs. Anderson. That is right.

The CHAIRMAN. And can you say that you know that the union takes no interest in the welfare of its members who are in the car-wash business where you work and where you have worked?

Mrs. Anderson. For myself I can say that.

The CHARMAN. Have you observed anyone else benefiting who works with you in the car-wash business?

Mrs. Anderson. No, sir.

The Charman. At any time, since you have been a member of the union in any of these places where you have worked, has the union or any representative of it, any of its officers or agents or representatives of it, made any effort, so far as you know, to get you better wages, better working conditions or to look after and help you with your grievances or complaints?

Mrs. Anderson. No. sir.

The Chairman. They have done nothing except to get your money?

Mrs. Anderson. That is all.

The CHAIRMAN. Have you tried to get them to do something about your working conditions, about your hours or anything?

Mrs. Anderson. I spoke to them one time. That was when I spoke

to Shaw.

The CHARMAN. Were you promised at the time you first joined the union that they would get you better wages and better working

Mrs. Anderson. They did.

The CHAIRMAN. And it was on the strength of that promise that you

Mrs. Anderson. That is right.

The Chairman. And since then you have had to stay a member in order to work; is that correct?

Mrs. Anderson. That is right.

The Chairman. In other words, if you didn't pay that 10 cents a day, you would lose your job?

Mrs. Anderson. That is right.

The Chairman. In other words, you are paying the 10 cents a day for the privilege of keeping your job, rather than for any benefits that could possibly accrue to you by reason of increased wages or shorter working hours or better working conditions?

Mrs. Anderson. That is correct. The Chairman. Is that correct? Mrs. Anderson. That is correct.

The Chairman. All right. Mr. Kennedy. You went back to Dukes' around Christmas of 1958; is that right?

Mrs. Anderson. That is right.

Mr. Kennedy. At that time, did you have any conversation about

paying the union?

Mrs. Anderson. Yes. I went to Dukes' and I explained to Dukes' that the 60 cents meant more to me than it did to him, and that I didn't want to pay union dues. So Tony asked me why I didn't want to pay union dues. I told him I just didn't want to pay. So Dukes' told me then that I didn't have to pay the union unless I wanted to. So I didn't have to pay.

Mr. Kennedy. So you went to work there and did not have to pay

union dues?

Mrs. Anderson. I went to work there and didn't pay union dues.

Mr. Kennedy. Do you know if union dues were paid in your name? Mrs. Anderson. I found it out Tuesday afternoon, in Detroit, in the Phelps Building, that the union dues was being paid in my name, but I didn't know anything about it before then.

Mr. Kennedy. Dukes' was actually paying 10 cents a day for you

to work there?

Mrs. Anderson. That is right.

Mr. Kennedy. You never were aware of that fact?

Mrs. Anderson. No; I wasn't.

Mr. Kennedy. Tell me this: What if you show up for work on a Monday and it starts to rain and you stay there until 10, 11, or 12 o'clock. Do you get paid for the whole day?

Mrs. Anderson. No; you do not get paid at all. On a rainy day, when they don't make any money, they send you back home and you

do not get paid for it.

Mr. Kennedy. You do not get your \$3?

Mrs. Anderson. No; you do not get your \$3.

Mr. Kennedy. When you are working on the line, there is a split, is there not, when you wash the car?

Mrs. Anderson. Yes.

Mr. Kennedy. It is split amongst the individuals who are working on the car?

MIS. ANDERSON. Yes.

Mr. Kennedy. Is there anything else in washing the car?

Mrs. Anderson. Yes; it is.

Mr. Kennedy. Do you have to split the money with any others?

Mrs. Anderson. Yes; we have to split the money. Whoever is on the line, 35 cents is split. He gets 85 cents for washing the cars. He takes 40 and gives us 35. We split the 35 with how many people there is on the line. Then we got a blower on the line which carries two men, we have two brushes on there we have to pay, which is four extra on the line besides the people who are on the line.

Mr. Kennedy. Let's assume there are 10 people on the line. The 10

individuals would split the 35 cents; is that right?

Mrs. Anderson. That is right.

Mr. Kennedy. Then added to that they put on two brushers and two blowers?

Mrs. Anderson. No; it is one blower but it is counted for two men.

Mr. Kennedy. Then there is a brush?

Mrs. Anderson. Yes. The brush----

Mr. Kennedy. It is an automatic brusher?

Mrs. Anderson. An automatic brusher and automatic blower.

Mr. Kennedy. And each one of those count two?

Mrs. Anderson. That is right.

Mr. Kennedy. So instead of splitting it among 10 men you split it among 14?

 $\operatorname{Mrs.}\Lambda$ nderson. Fourteen.

Mr. Kennedy. And the employer takes it for the brusher and the blower, for 4 out of the 14?

Mrs. Anderson. That is right.

Mr. Kennedy. The man who owns the car wash, he gets four of them?

Mrs. Anderson. That is right.

Mr. Kennedy. The guarantee is what; \$3 a day?

Mrs. Anderson. \$3 a day for 5 days and \$5 a day for 2 days.

Mr. Kennedy. What if you make only \$2.50, for instance, on Monday? Will he pay you \$3 for that Monday?

Mrs. Anderson, Yes; he will pay you \$3. All the guaranteed will get their \$3.

Mr. Kennedy. Then on Tuesday you are able to make \$3.50. What

happens then?

Mrs. Anderson. The guaranteed still don't do nothing, but get their \$3 because he takes that 50 cents and puts it back for what happened Monday, on what he charged us Monday to bring the guarantee up to \$3.

Mr. Kennedy. So if you make more the following day, you get your guarantee of \$3 on Monday, but the next day if you make a little extra, that is deducted and charged to Monday; is that right?

Mrs. Anderson. That is right.

Mr. Kennedy. You are trying to save some money for your daugh-

ter to go to college; is that right?

Mrs. Anderson, Yes, Mr. Kennedy. I have a real wonderful daughter, and that is what I am working for. That is why I keep working on the wash rack; not because I want to, but because I can't work on another job.

Mr. Kennedy. That is because of your health?

Mrs. Anderson. Yes, on account of my health. So I have to keep working on the wash rack. I am working so that I hope—not at this rate, but I mean I hope if things change or something I will be able to save up money so my daughter can go to college.

Mr. Kennedy. What about your husband! Does he work!

Mrs. Anderson. Yes. He works at a wash rack, too. Mr. Kennedy. Is his wash rack union or nonunion?

Mrs. Anderson. It is nonunion.

Mr. Kennedy. How much does he make on his wash rack?

Mrs. Anderson. They guarantee \$4 a day for which they take one dime out for social security, they get \$3.90. Whatever the line makes, they got a split, too, but they have a 55-cent line. Whatever the line makes, they split that.

Mr. Kennedy. They don't add the blowers and the brushes?

Mrs. Anderson. No, they don't have that. They just split it between the men on the line.

Mr. Kennedy. And they have a greater split. They get 55 cents rather than 35 cents?

Mrs. Anderson. Yes, they get 55 cents.

Mr. Kennedy. And there is a guarantee of \$4 a day rather than \$3 a day?

Mrs. Anderson. Yes.

Mr. Kennedy. And this is a nonunion car wash?

Mrs. Anderson. Nominion.

Mr. Kennedy. So the nonunion car wash does much better than the union car wash?

Mrs. Anderson. That is right.

Senator Mundt. Have you ever tried to get a job in a nonunion car wash?

Mrs. Anderson. You say have I ever tried to get a job in a nonunion car wash! Well, you see, they don't hire women at all the car washers. Just some car washers hire women. Everywhere I go, I see that sign stuck up on the door, most everywhere, local 985.

Senator Mund. Do they pay men more than women on the car

wash?

Mrs. Anderson. No. The women can make the same as men make. Senator Mundt. It is just that some car washers don't hire women! Mrs. Anderson. That is right. They just hire men.

Senator Mundt. So your testimony is that in a nonunion carwash

you get paid more money than in a union car wash!

Mrs. Anderson. My husband gets paid more money than I do and he is in a nonunion carwash.

Senator Mund. Do you know whether they have a State minimum wage law in Michigan?

Mr. Anderson. No. sir: I do not know.

Senator Mundt. How many people work in your shop?

Mrs. Anderson. In the carwash? Well, you see, I don't never know how many people is going to work, because he don't have the same amount on every day. Maybe some days he will have 10, 15, 12, 18, 20, 25.

Senator MUNDT. If he has that many, it seems they would be

covered by the Federal minimum wage law.

Mr. Kennedy. I think the interstate question arises, Senator.

Senator Municipal think that it would be interstate if they were washing cars with a foreign license. That would be interstate. The general philosophy of the Supreme Court has been that an elevator operator going up and down in an office building is interstate because undoubtedly the offices upstairs receive letters from out of State.

The Chairman. Well, cars would go between States more than an

elevator, I imagine.

Senator Munder. Yes. Have you ever tried to protest the situation to anybody else except your union boss?

Mrs. Anderson. Do you mean about the union?

Senator Mund. About the deplorable wages that you get, the mistreatment that the employees are getting? The fact that you are paid so little and the percentage cost for union membership is so great and the services are completely inadequate, if any?

Have you talked about the union conditions or the working con-

ditions or protested about them to anybody else?

Mrs. Anderson. No, nobody but the employees. We talk between

Senator Munder. Have you talked to the employer?

Mrs. Anderson. No, that is all. I never went to my boss, if that is what you mean.

Senator Muxpr. The man who hired you, did you go to him? Mrs. Anderson. No, I never went to him and said anything.

Senator Munder. You are supposed to contact him, I suppose, through union channels; is that right?

Mrs. Anderson. I didn't understand you.

Senator Munder. You are supposed to make your contacts with

your employer, I presume, through your union representative?

Mrs. Anderson. I don't know. I mean, the boss was taking the dues out when I was paying them and turning them over to a union. I mean the boss didn't say anything to me about the union and the union man didn't say anything. So I never said anything to them about the union.

Senator Munder. How do you make this 10-cent-a-day payment? Do you make it at the end of the week and give somebody 70 cents, or what!

Mr. Anderson. Do you mean when I was paying?

Senator Mundr. Yes.

Mrs. Anderson, Yes. My boss would take them out at the end of the week, on a Sunday. We get paid on a Sunday.

Senator Muxpr. Your employer would take it out?

Mrs. Anderson. Yes, on a Sunday.

Senator Munor. This is a check-off system. Is this supposedly one of the great benefits of the union shop in Michigan, that the employer would take the check-off and go out and make sweetheart contracts for the employees? You would get nothing that way?

Mrs. Anderson. 1 don't understand.

Senator Muxpr. All you know is that you gave your 70 cents-

Mrs. Anderson. Sixty cents. Senator Mundt. Sixty cents! Mr. Anderson. That is right.

Senator Munder. You didn't give it to anybody. The employer

took it out of your check?

Mrs. Anderson. I didn't give it to anybody. My boss would deduct it from my pay when he would give it to me on a Sunday afternoon.

Senator MUNDT. This is the check-off in operation?

Mrs. Anderson. That is right.

Senator MUNDT. You didn't see the union boss?

Mrs. Anderson. No, sir; I did not.

Senator Mund. All you know is that you got that much less in your check?

Mrs. Anderson. All I know I was 60 cents less.

Senator Mund. It would be given to some union boss and nobody knows whether this is a sweetheart contract, or whether this is the standard operating procedure in Detroit in the carwash business. You don't know about that?

Mrs. Anderson. No, I didn't.

Mr. Kennedy. Mr. Chairman, we have here a record showing that a payment was made by the employer to the union on behalf of Mrs. Anderson. The record would appear to indicate that a payment was made by the employer to the union on behalf of Mrs. Anderson, despite the testimony of Mrs. Anderson that she was never aware that such payment was made, that no deduction was made from her salary.

The Chairman. This is a recent document. It is dated the 14th of

March 1959.

You say you don't know. You are paying no union dues now?

Mrs. Anderson. No. sir; I am not.

The Chairman. But you do not know whether your employer is paying them for you or not?

Mrs. Anderson. I do not know that.

The CHAIRMAN. Apparently the committee has information indicating that the employer is paying your dues for you. Do we have a member of the staff that can verify this?

Mr. Kennedy. We have somebody who can verify it.

The CHAIRMAN. We will put it in the record.

You may recite generally what it is, but I want it sworn to by who-

ever procured it.

Mr. Kennedy. Mr. Chairman, a member of the staff under our direction procured it. We have a later witness who can perhaps better identify it.

The CHAIRMAN. All right.

For your information, we will determine about this in the course of further testimony, but it appears that the committee has information that your employer is now paying your dues for you where you presently work.

Is there anything further? Mr. Kennedy. That is all.

The Chairman. Thank you very much.

Call the next witness.

Mr. Kennedy. Gus Richardson.

The CHARMAN. Do you solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Richardson. I do.

TESTIMONY OF GUS RICHARDSON

The CHAIRMAN. What is your name? Mr. RICHARDSON. Gus Richardson.

The CHAIRMAN. Where do you live?

Mr. Richardson. Detroit, Mich.

The Charman. Where?

Mr. Richardson. Detroit, Mich.

The Chairman. Detroit, Mich. Give your street address.

Mr. Richardson. 143 Vernor Highway, Century Hotel.

Mr. Kennedy. 143 Vernor Highway; is that right?

Mr. Richardson. Yes, sir.

The CHAIRMAN. What kind of work do you do?

Mr. Richardson. I work in an auto wash.

The Chairman. You don't care for a lawyer to represent you here, do you?

Mr. Richardson. No, I don't.

The Charman. Thank you. Proceed, Mr. Kennedy.

Mr. Kennedy. You are presently employed as a driver on a wash rack at Tony's Five-Minute Auto Wash, is that right, Detroit, Mich.?

Mr. RICHARDSON. That is right, sir.

Mr. Kennedy. And you have worked there off and on for the past 7 years?

Mr. RICHARDSON. That is right.

Mr. Kennedy. Is this a union car wash?

Mr. RICHARDSON. It is supposed to be a union car wash; yes.

Mr. Kennedy. How much money are you receiving? Mr. Richardson. 1 am making \$25 a week right now.

Mr. Kennedy. \$25 a week? Mr. Richardson. Yes, sir.

Mr. Kennedy. How many days a week do you work?

Mr. Richardson. Seven days a week.

Mr. Kennedy. How many hours do you work?

Mr. Richardson. Seventy hours.

Mr. Kennedy. Seventy hours a week?

Mr. Richardson, Yes.

Mr. Kennedy. When you first went to work, you were guaranteed a weekly wage of \$30 a week; is that right?

Mr. Richardson. That is when I first went to work. Mr. Kennedy. That is for seven days, a 10-hour day?

Mr. Richardson. Right.

Mr. Kennedy. So your salary scale has gone down, as well as Mrs. Anderson?

Mr. Richardson. Yes, sir.

Mr. Kennedy. This was back in 1953, is that right, when you first went to work?

Mr. Richardson, Yes, sir.

Mr. Kennedy. Then around Easter of 1953 you were told by your employer that he would have to cut your salary to \$25 a week?

Mr. Richardson. That is right.

Mr. Kennedy. Then in the winter of 1954 did two representatives of local 985 come by your car wash! Mr. Richardson. Yes, they did.

Mr. Kennedy. Who were they?

Mr. Richardson. They was Newman and Shaw.

Mr, Kennedy. Did they promise more money to you at that time? Mr. Richardson. Well, they say if we would join the union, that they would see that we get better working conditions and get us more money. But at that time we wasn't in no union. There was no union there.

Mr. Kennedy, Did they return the next day or return with a

Mr. Richardson. Yes, they did.

Mr. Kennedy, And did the employees at the car wash continue

Mr. Richardson. They continued on to work that day because it was on a Saturday.

Mr. Kennedy. Why didn't you join the union at that time?

Mr. Richardson. Well, we wouldn't join that union because they wouldn't give us no consideration right then because they wanted to take us and give us—well, I wouldn't know how to phrase that in a Wav.

Mr. Kennedy. Well, anyway, you didn't want to join the union?

Mr. RICHARDSON. We did not want no part of that union.

Mr. Kennedy. And they established the picket line. Did you have

any conversation with Mr. Shaw?

Mr. Richardson. Well, when they came out there that morning, they brought about three carloads with them, and they established a picket line, which Mr. Bufalino also was out there on that morning, and Mr. Shaw, he had a sign on him walking up and down the sidewalk. We had a little conversation about him flagging the cars past the driveway.

The Chairman. Speak a little louder, please.

Mr. Kennedy. He was what you thought flagging the cars away from coming into the car wash?

He was flagging cars away from the Mr. Richardson. Yes.

driveway.

Mr. Kennedy. So you had some conversations with him?

Mr. Richardson. I told him, "You are not supposed to flag the cars away from the driveway. You are supposed to walk up and down the driveway."

He said, "I am not flagging the cars past the driveway." I said, "I am looking right at you, and I can see." About that time a police walked by, and he asked what the trouble was, and I told him. He told Mr. Shaw, "You walk on the sidewalk and leave the cars alone."

Mr. Shaw said he was not bothering the people, he wasn't doing that at all. I told him he was telling a story because I was looking right at him. He told me I was one of those things.

Mr. Kennedy. What did Shaw say?

Mr. Richardson. Shaw told me I was telling——

Mr. Kennedy. He swore at you? Mr. Richardson. He swore at me.

Mr. Kennedy. And that was the end of the conversation?

Mr. Richardson. Right then and there.

Mr. Kennedy. So then you were off for a few days and you came back to work the following week; is that right?

Mr. RICHARDSON. That is right.

Mr. Kennedy. And by that time—

Mr. Richardson. When I came back to work, it was on a Wednesday morning, there was a union sign on the front door and the back door. I asked the fellows what happened, and they said, "Well, we belongs to the union."

Mr. Kennedy. So what did you do?

Mr. RICHARDSON. So I continued on to work there that week, and the following Monday I signed up for the union, too.

Mr. Kennedy. You signed up for the union. Then you got 10

cents a day deducted from your salary; is that right?

Mr. RICHARDSON. That is right.

Mr. Kennedy. And you would get a regular salary of \$30 a week; is that right?

Mr. Richardson. That is right.

Mr. Kennedy. Then you left in the summer of 1955?

Mr. Richardson, Yes. I got a construction job and worked all that summer.

Mr. Kennedy. And you returned in the winter of 1955; is that right?

Mr. Richardson. Yes, sir.

Mr. Kennedy. And again with your 10 cents, you were making \$30 a week and the 10 cents was being deducted?

Mr. Richardson. That is right.

Mr. Kennery. Then the representatives of the committee were out in Detroit in 1957, and you had some conversations with them at that time; is that correct? You went down to the Federal Building?

Mr. Richardson. Yes. I did.

Mr. Kennedy. So you went down to the Federal Building in 1957 and complained about the treatment that you were receiving; is that right?

Mr. Richardson. Yes, I did.

Mr. Kennedy. And the fact that you had to pay this 10 cents a day and that you were not receiving any benefits from the union?

Mr. RICHARDSON. That is right.

Senator Mundt. To whom did you make your complaints? Mr. Richardson. Well, when I went down to the Federal Building, I seen some man down there. He belongs to this committee, but I don't remember his name.

The Chairman. He belongs to this committee?

Mr. Kennedy. A staff member. Senator Mundt. Yes, I know.

You went down to the Federal Building and met there some member of our committee?

Mr. Richardson. Yes, sir.

Senator Mundt. I thought you meant some representative of the Federal Government in the Labor Department, maybe to enforce the minimum wage law.

Mr. Richardson. No. sir.

I was very tired of how they was doing us out at the place that day, and I asked around and got information and was told to go down to the Federal Building. So I goes down to the Federal Building and I talked to a fellow down there and he told me, "You go back and go to work, like nothing never happened." He said, "We will have somebody out there to see you in a few days."

So I went back to work and I didn't say anything at all. Sure enough, the next couple of days or so someone was out there to see us.

Senator MUNDT. To see you?

Mr. Richardson. To see everybody who was working out there. Senator Mundt. To see what?

Mr. Richardson. To see the workers on the job out there.

Senator Mundt. You have three children?

Mr. Richardson. Yes, sir. Senator Mundt. How can you support a family of three children in Detroit at \$100 a month, even if they did not deduct your union dues? Do you have much difficulty there?

Mr. Richardson. Well, that don't help very much, sir, because my

wife she does a little extra work, too, on the side.

Senator Mundr. As far as you know, the union to which you belong has never protested these sweatshop wages that you are paid in the carwash business in Detroit?

Mr. Richardson. No. sir. I never protested to them or nothing like

that.

Senator Munder. You never protested to a union leader?

Mr. Richardson. Not about the deduction from my money or nothing like that.

Senator Mund. No, but did you ever protest about the fact that you are working at only \$100 a month for 7 days a week?

Mr. Richardson. No. sir; I never have.

Senator Munder. Where does all this 40-hour-a-week business that

we hear so much about come in?

Mr. Richardson. Well, that wasn't in the contract when I got hired. That was something extra that they was going to pay me for the work I did, extra work in the wash rack.

Senator Mundt. Do you get paid extra for overtime?

Mr. Richardson. No, sir; that wasn't for overtime work. Senator Mundt. What does 7 days mean? Does that mean that you work more than 40 hours a week or that you divide up the 40 hours into certain shifts on seven days?

Mr. Richardson. No, sir; we had to work the 70 hours a week.

Senator Mundt. Seventy hours a week?

Mr. Richardson. Yes, sir.

Senator Mundt. Seventy, 10 hours a day, for seven days!

Mr. RICHARDSON. From Monday to Sunday, sir. Senator MUNDT. Ten hours a day?

Mr. Richardson. Yes, sir.

Senator Mundt. Seven days a week?

Mr. Richardson, Yes, sir.

Senator Munder. Total pay \$100 a month less your union dues?

Mr. Richardson. Less your union dues.

Senator Mundt. This is Detroit, Mich.! Mr. Richardson. That is Detroit, Mich.

Senator Mundt. Where we have all of these great international labor leaders trying to come out and tell us farm folks in South Dakota we are not paying the people enough. I think that they have a little homework to do. Maybe Walter Reuther has a little work to do around his own hometown and leave everybody alone down in Arkansas and South Dakota.

It is the same way with Mr. Hoffa. He lives in Detroit. They come down here to Washington and say that we ought to take care of some-

body someplace else.

You are positive of what you are telling us, that you work 10 hours a day, 70 hours a week and you get \$100 a month? That is all?

Mr. Richardson. That is right.

Senator Munder. Less your union dues? Mr. Richardson. Less the union dues.

Senator Mund. This is in the great city of Detroit, the union capital of the world?

Mr. Richardson. Yes, sir; that is right.

Senator Mundt. The showplace. Did you ever talk to the Governor about that? Did you ever write the Governor a letter and say, "Mr. Williams, how about this?" Does he know about this?

Mr. Richardson, No, sir.

Senator Munder. All you did was go down to the Federal building and talk to one of our investigators. How did you know that our investigators were in the Federal building? Did you read it in the paper?

Mr. Richardson. No, sir. I got that information next door to our

wash rack.

The Charman. You got it how?

Mr. Kennedy. Next door.

Senator Munder. Somebody on a neighboring wash rack?

Mr. Richardson. Yes, sir.

Senator Munder. I certainly hope that if we can't pass legislation out of these hearings, which I hope we can do, we can do something to improve the labor conditions in the city of Detroit.

It seems to me that the top chiefs there have been busy in the other fellow's gardens. They have some weeds at home to take care of. It

is pretty bad. You look like a good, honest fellow.

Mr. Richardson. I am telling the truth, sir. Senator Mundr. This is the kind of sweatshop business you used to read about in the old days. Maybe they ought to charge a little more for washing the car. What do they charge for washing the car?

Mr. Richardson. It depends. If it is on a Friday, Saturday or

Sunday, it is \$1. On weekdays it is 85 cents.

Senator MUNDT. It is a dollar and a half in South Dakota. We have a little higher standard of living, maybe. Maybe if they wanted to charge that in Detroit for washing the car they could pay you a little more. Eighty-five cents isn't too much to split up. Do you get a commission out of the 85 cents?

Mr. Richardson. He guarantees us a flat \$25 a week.

Senator Munder. I think we will try to get a good group of South Dakota farmers up there to improve the standards of living in Detroit. Let them pay a little more for washing their car and then they can pay you a little more to come up to the nonunion living standards that we have in South Dakota. It would be good for the workers in Detroit.

The Chairman. The Chair may say that the staff advises me they have checked the records of some of these operators and what these witnesses are testifying to about their wages is absolutely correct, ac-

cording to the records of the business.

Senator MUNDT. I am sure it is. But it is a shocking thing to have in the labor capital of the world—this hurts our foreign relations. This is really something for the Russians to be reading about overseas. It is giving aid and comfort to the Communists to think that we have salt-mine conditions like this in Detroit. I am shocked.

The CHAIRMAN. Proceed.

Mr. Kennedy. Was there a question raised around the carwash after an investigator came down? Did Mr. Newman come to the carwash?

Mr. RICHARDSON. Yes, he did.

Mr. Kennedy. What did he try to find out?

Mr. Richardson. Well, Mr. Newman was kind of worried. He wanted to know—he wanted to try to find out what happened, who went downtown and reported this. Then he brought out some cards. He wanted everybody to sign cards.

Mr. Kennedy. To sign cards to belong to the union?

Mr. RICHARDSON. To belong to the union, because he had been receiving money which he wasn't supposed to be receiving at that time. So everyone else around there, we all joined the union after he come around and brought the cards.

Mr. Kennedy. Had they been deducting the 10 cents?

Mr. Richardson. Yes, they had.

Mr. Kennedy. It wasn't until after the investigator came out-

Mr. Richardson. The investigator came around.

Mr. Kennedy. That you signed the cards?
Mr. Richardson. That is when we signed cards.

Mr. Kennedy. Did your working conditions get any better after that?

Mr. RICHARDSON. No. they didn't.

Mr. Kennedy. And had the union dues gone up?

Mr. RICHARDSON. They didn't go up right there then, but they went up later.

Mr. Kennedy. What are your union dues now?

Mr. Richardson. 15 cents now.

Mr. Kennedy. Because of all the services Mr. Bufalino's union was performing for you, they increased the union dues 50 percent?

Mr. Richardson. That is right.

Mr. Kennedy. Were you ever asked to come to a union meeting? Mr. Richardson. No. I have never been asked to come to a union meeting.

Mr. Kennedy. Do you know where the union headquarters are? Mr. Richardson. I knew where it was at one time, but they moved it.

Mr. Kennedy. Has Mr. Bufalino or Mr. Hoffa ever come down to find out how you were doing?

Mr. RICHARDSON. No one has even been around to see us.

Mr. Kennedy. Has anyone ever talked to you to find out whether you are pleased or have any grievances?

Mr. RICHARDSON. No, nobody come around to see us, but we see the

union man maybe once a month.

Mr. Kennedy. What does he do?

Mr. Richardson. He comes in, parks his car in front.

Mr. Kennedy. What kind of a car?

Mr. Richardson. He has an Oldsmobile.

Mr. Kennedy. What does he do?

Mr. RICHARDSON. He gets out of his car, he goes into the office, he stays 2 or 3 minutes, and gets right back in his car and drives off. He don't come back to see the workers.

The CHAIRMAN. He comes to pick up the money, I guess.

Mr. Richardson. I don't know what he picks up, sir, but he doesn't come back to see us.

The CHAIRMAN. He doesn't come to give the workers any attention?

Mr. Richardson. No, sir.

Mr. Kennedy. Do you have a union steward?

Mr. RICHARDSON. We had a steward there once, but we don't have none now.

Mr. Kennedy. Are generally the conditions in the car wash similar to what you have described, what you and Mrs. Anderson have described?

Mr. RICHARDSON. That is right, sir.

Mr. Kennedy. Mr. Chairman, to refresh your recollection, we did have some members of the car-wash industry who appeared before the committee about a year ago, from different companies, and the situation was as described here this morning, and obviously has not been improved since our hearings.

Senator Mund. Wasn't it a car-wash employer from Detroit who came in and testified about the fact that the union had picketed his

place and made him unionize the shop and put signs up?

Mr. Kennedy. That is correct. Then Mr. Bufalino was starting to sue him and he had a difficult time paying his legal bills and all of that. He is still going through the same harassment. We are going to have some car-wash owners appear before the committee to state what happened to them.

Dukes' is the place where they count the washers and the blowers?

Mr. Richardson. That is right, sir.

Mr. Kennedy. The blowers and the brushes.

Mr. Richardson. Right, sir.

Mr. Kennedy. Did you ever speak to your boss about why they

count the brushes and the blowers as two men apiece?

Mr. Richardson. No. I didn't. But when I came back there to work for that place again, I heard that they counted blowers and brushes. In talk between the workers there I found out they was using the blowers as two men, the brushes as two men, and I said, "What for?" They said, "Well, they are doing work, too, so they are supposed to get paid."

Senator Munder. Are they machines? Mr. Richardson, They are machines. The CHARMAN. Well, that is mechanical. That is what I am trying to determine, if it is a mechanical man and not a human being. Is that right?

Mr. Richardson. Yes, sir.

The Chairman. They are paying a mechanical man for work; is that correct?

Mr. Richardson. Yes, sir.

Senator Mundt. He gets paid a little better than you do because

he doesn't have to pay any dues.

Mr. Kennedy. Actually, he is getting paid twice as much as you. A mechanical man is worth two of you. The mechanical man gets the pay of two people and he doesn't have to deduct his dues.

Mr. RICHARDSON. That is right, sir; and no social security.

The CHAIRMAN. Is there anything further?

If not, thank you very much. Mr. Kennedy. Mr. Dukes.

The Chairman. You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Dukes. I do.

TESTIMONY OF C. D. DUKES

The Chairman. State your name, your place of residence, and your business or occupation.

Mr. DUKES. My name is C. D. Dukes. I live at 19212 Pelkey,

Detroit 5, Mich.

The Chairman. Do you waive counsel, Mr. Dukes?

Mr. Dukes. I do.

The Chairman. I don't believe you stated your business.

Mr. Dukes. A partner in Tony's Automatic Car Wash, located at 13277 Seven Mile Road, Detroit, Mich.

Mr. Kennedy. You were operating a carwash in 1956?

Mr. Dukes. Yes, sir.

Mr. Kennedy. What was the name of that?

Mr. Dukes. Two names, Spic and Span Auto Wash, in the spring of 1956, and then the name was changed in the spring of 1957 to Dukes' Five-Minute Auto Wash.

Mr. Kennedy. In the spring of 1956, Mr. Dukes, you were up to

that time nonunion; is that right?

Mr. Dukes. I just bought this rack in 1956. I had another rack that was union.

Mr. Kennedy. We are talking about this rack.

Mr. Dukes. It wasn't union when I bought it, no. There was a contract there.

Mr. Kennedy. What was the name of the rack you owned before?

Mr. Dukes. Paramount Auto Wash. Mr. Kennedy. And that was union?

Mr. Dukes. Yes.

Mr. Kennedy. Local 985?

Mr. Dukes. Right.

Mr. Kennedy. How much were you paying your employees there? Mr. Dukes. I believe it was \$30 a week.

Mr. Kennedy. That is for the 7-day week?

Mr. Dukes. Yes, sir.

Mr. Kennedy. Then you bought this nonunion carwash. How much were you paying your employees at the nonunion carwash!

Mr. Dukes. Well, I believe it was \$30 a week there, too.

Mr. Kennedy. Was there an attempt to organize you at that time, in the spring of 1956?

Mr. Dukes. I was approached on it, and I told them this is a new

rack, I don't know what is going to happen here.

Mr. Kennedy. By whom were you approached?

Mr. Dukes. I was called. Mr. Kennedy. By whom? Mr. Dukes. Mr. Bufalino.

Mr. Kennedy. What did he say to you at that time?

Mr. Dukes. He told me he would see me later. Mr. Kennedy. What do you mean see you later?

Mr. Dukes. That is what he said, "I will see you later."

Mr. Kennedy. He called you up?

Mr. Dukes. I told him to call me back.

Mr. Kennedy. What did he want when he called you on the telephone?

Mr. Dukes. He wanted to know about the union, how we could work

there.

Mr. Kennedy. Do you mean whether he could sign up your employees; is that right?

Mr. Dukes. Yes, sir.

Mr. Kennedy. And you told him to "call me back"?

Mr. Dukes. That is right.

Mr. Kennedy. Did he call you back?

Mr. Dukes. That is right.

Mr. Kennedy. When did he call you back?

Mr. Dukes. I don't know exactly when, but it was maybe later in the summer. And they did sign the men up.

Mr. Kennedy. When he called you back, what did you say, "I will

sign up now"?

Mr. Dukes, I told him to come out when he wants to. My relations have been all right with the union.

Mr. Kennedy. I am sure of that. Why did you tell him to come on out, what reason?

Mr. Dukes. What reason?

Mr. Kennedy, Yes.

Mr. Dukes. Well, I have had some good men—in the other rack, Paramount, I have been caught short of help on various occasions, and I have been able to call and they would send me men.

Mr. Kennedy. You have been able to call whom?

Mr. Dukes. The union.

Mr. Kennedy. They have a hiring hall, do they? Mr. Dukes. I don't know how they get the men.

Mr. Kennedy. When you need men, you call the union? Mr. Dukes. I have obtained men from the union; yes.

Mr. Kennedy. Who do you speak to there? Mr. Dukes. Shaw or Newman, as a rule.

Mr. Kennedy. They send people out to you?

Mr. Dukes. They brought people to me.

Mr. Kennedy. So you decided it would be helpful to you if you

joined the union!

Mr. Dukes. Well, I think so, yes. You see, Detroit is a union town, and I have to deal with those people.

Mr. Kennedy. You what?

Mr. Dukes. I deal with union people. They work in factories there, you know, and they like the union.

Senator Mundt. You say Detroit is a union town?

Mr. Dukes. Yes, sir.

Senator Mundt. In a union town and we know what the wage scale is of the carwash business. In South Dakota, a nonunion town, we pay \$1.50 for a carwash, and they get a fine salary and live in fine homes. I don't want them to depress the working conditions in South Dakota by imposing Detroit standards on them in the carwash business.

Mr. Dukes. It would be a bad standard to impose on anybody.

The town is not in good shape.

Mr. Kennedy. So you signed the contract; is that right?

Mr. Dukes. Yes, sir.

Mr. Kennedy. Did you discuss the wages, hours, or conditions of

employees with Mr. Bufalino?

Mr. Dukes. No. On the wages on the contract, I think, was \$30 The hours are almost set in the wash rack ina week guarantee. dustry in Detroit.

Mr. Kennedy. What did the contract provide? How much were

you to pay your employees?

Mr. Dukes. Well, I haven't got that contract with me, and I don't know exactly now. That has been quite a while ago.

Mr. Kennedy. Well, have you had any discussions with any representatives of the union about how much was the pay for the employee? Mr. Dukes. Do you mean then?

Mr. Kennedy. Then or since then.

Mr. Dukes. The contract I am pretty sure called for a \$30 a week guarantee.

Mr. Kennedy. Initially had Mr. Bufalino suggested that you pay

them \$21 a week?

Mr. Dukes. No. That was later on. That is another one.

Mr. Kennedy. How did that come up?

Mr. Dukes. That is for the summer. In the summer you don't do any business in the wash-rack business.

Mr. Kennedy. What did he say then?

Mr. Dukes. You have a clause that is called a hardship clause.

Mr. Kennedy. Yes?

Mr. Dukes. I don't believe there is a wash rack in Detroit that can break even in the summertime.

Mr. Kennedy. So what do you do?

Mr. Dukes. Well, you can get your guarantee lowered.

Mr. Kennedy. Who do you call up and get the guarantee lowered by?

Mr. Dukes. Any one of the persons there that you can talk to. You can request for the hardship clause. I don't say you will always get it, but you can request it.

Mr. Kennedy. That would allow you to pay lower than \$30 a week?

Mr. Dukes. If it is agreed, yes.

Mr. Kennedy. Did you call Mr. Bufalino?

Mr. Dukes. We talked. I could see in this rack after I bought it that there was going to be no money made in this place in the summertime.

Mr. Kennedy. Did you call Mr. Bufalino?

Mr. Dukes. I have forgotten. I have had about three different contracts with those people and they all run together after a while.

Mr. Kennedy. Did you talk to Mr. Bufalino about the contract

at all?

Mr. Dukes. I talked to someone there. Whether I talked to Mr. Bufalino or Shaw or Newman, I have forgotten.

Mr. Kennedy. You say you cannot remember if you talked to Mr.

Bufalino about lowering

Mr. Dukes. I talked to someone there. I have forgotten who I alked to.

Mr. Kennedy. You got permission to lower the rate from what, \$30 to \$21 a week?

Mr. Dukes. I believe so.

Mr. Kennedy. So then with the agreement of the union you were paying your employees \$21 a week for the 70-hour week; is that right?

Mr. Dukes. Well, there is some washracks that might run 70 hours

a week. We don't.

Mr. Kennedy. What do you pay?

Mr. Dukes. We work 68 hours a week.

Mr. Kennedy. I am sorry to have confused it.

So you were paying \$21 a week for a 68-hour week; is that right?

Mr. Dukes. That was the guarantee, I am pretty sure, yes sir.

Mr. Kennedy. That was the arrangement that you had with the union?

Mr. Dukes. I think so.

Mr. Kennedy. When you joined the union or signed up with the union, did you discuss it with your employees?

Mr. Dukes. I think the union discussed it with the employees.

Mr. Kennedy. Did you call the employees in to find out if they wanted to join the union?

Mr. Dukes. Usually they go out and talk to them.

Mr. Kennedy. Just answer the question.

Did you call the employees to find out if they wanted to join the union?

Mr. Dukes. I didn't.

Mr. Kennedy. Do you know if anyone did?

Mr. Dukes. They were signed up by the union.

Mr. Kennedy. How do you know that?

Mr. Dukes. Well, they signed them. I know this fellow gave them buttons and cards and what have you back then.

Mr. Kennedy. Did you see the cards?

Mr. DUKES. Not then, I don't believe I did. Mr. KENNEDY. Did you ever see the cards?

Mr. Dukes. I have seen them, yes.

Mr. Kennedy. Have you seen the cards by your employees requesting that you sign the contract?

Mr. Dukes. Say that again.

Mr. Kennedy. Did you ever see the cards by your employees requesting that you sign a contract with the union?

Mr. Dukes. I have seen the cards on some contracts. I have had

three or four different contracts with these people.

Mr. Kennedy. When you signed the contract originally with the union-

Mr. Dukes. Originally, yes.

Mr. Kennedy. Did you see the cards at that time?

Mr. Dukes. Yes.

Mr. Kennedy. You saw the cards at that time?

Mr. Dukes. That goes back to 1954; yes.

Mr. Kennedy. I am talking about 1956 when you bought this new auto rack and it was nonunion. Did you see the cards at that time?

Mr. Dukes. I don't remember that time.

Mr. Kennedy. It is a fact that you never saw the cards, isn't it?

Mr. Dukes. I don't remember that time. I have seen their cards, yes.

Mr. Kennedy. Did you ever show the contract to the employees?

Mr. Dukes. All the employees saw it.

Mr. Kennedy. They saw the contract. What about when an employee would leave after a period of a week? Did the new employee see the contract?

Mr. Dukes. Not necessarily, no.

Mr. Kennedy. What would happen when somebody new came to work there. Did he sign any card?

Mr. Dukes. No.

Mr. Kennedy. Did you just deduct—— Mr. Dukes. At one time I did, yes. I signed every man as soon as he came in.

Mr. Kennedy. When did that stop?

Mr. Dukes. That stopped since I have been back in the wash rack business this winter. I haven't had the time. I just haven't messed with it.

Mr. Kennedy. When did you get out of the car wash business?

Mr. Dukes. 1957, the fall. September 14. Mr. Kennedy. When did you come back in?

Mr. Dukes. August 11, 1958.

Mr. Kennedy. Do you deduct 10 cents, or what is it? Fifteen cents, from their salaries?

Mr. Dukes. It is 15 cents now.

Mr. Kennedy. Did you discuss that with the employees?

Mr. Dukes. Some of them, yes.

Mr. Kennedy. Do you deduct it from all of them?

Mr. Dukes. No.

Mr. Kennedy. You don't? You pay it yourself?

Mr. Dukes. Some of them, yes.

Mr. Kennedy. I would like to have you identify this.

The CHAIRMAN. I hand you here what purports to be an original report. It has the heading, "This report to be attached to dues deduction report," and it appears to be dated March 14, 1959. I ask you to examine it and state if you identify it and, if you do, to state what it is.

(A document was handed to the witness.)

Mr. Dukes. Well, my partner did this, I see.

The CHAIRMAN. Í beg your pardon?

Mr. Dukes. My partner did this. This is not my writing.

The CHAIRMAN. Do you recognize the writing?

Mr. Dukes. Yes, sir.

The CHAIRMAN. Whose writing is it?

Mr. Dukes. Tony Scaramuzzino.

The CHAIRMAN. Does he work for you? Mr. Dukes. No, sir. He is my partner.

The CHAIRMAN. Your partner?

Mr. Dukes. Yes, sir.

The CHAIRMAN. So it is in your partner's handwriting?

Mr. Dukes. Yes, sir, and my partner tells me that this hasn't been paid. It is overdue.

The CHAIRMAN. He reported it, but it hasn't been paid?

Mr. Dukes. No, it hasn't been reported. This is supposed to be mailed in. Now my partner tells me this morning that this hasn't been mailed.

The CHAIRMAN. Is that the form of report you make?

Mr. Dukes. We make a report similar to this; yes. The Chairman. That was prepared by your partner?

Mr. Dukes. Yes, sir.

The CHAIRMAN. Why was it not mailed?

Mr. Dukes. I don't know.

The CHAIRMAN. That may be made exhibit No. 82.

(Document referred to was marked "Exhibit No. 82" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Exhibit 81 will be for reference. There may be

further testimony about it.

Does that report show how much was due the union at that time?

Mr. Dukes. Yes, sir.

The CHAIRMAN. How much?

Mr. Dukes. Forty-two dollars.

The CHAIRMAN. On how many employees?

Mr. Kennedy. Twenty-one.

The CHARMAN. Twenty-one employees over what period of time? One week?

Mr. Dukes. One month.

The Chairman. That is about two dollars an employee?

Mr. Dukes. Yes, sir.

The CHARMAN. Proceed.

Mr. Kennedy. Do all of these employees know that this money is being paid?

Mr. Dukes. No, sir.

The CHARMAN. Do you mean you have men working for you who are in the union and don't know it?

Mr. Dukes. They are not in the union maybe. I have men that work 1 day and I never see them again.

Mr. Kennedy. Why do you pay the dime for them?

Mr. Dukes. I pay it. Mr. Kennedy. Why?

Mr. Dukes. I have a contract with the union.

The Chairman. You have to pay it?

Mr. Dukes. And I pay it.

Mr. Kennedy. They are either in the union or not in the union. If they are in the union, then they pay the 15 cents themselves.

Mr. Dukes. That is right, and they know it.

Mr. Kennedy. Why do you pay the 15 cents for somebody who is not in the union?

Mr. Dukes. Well, it is my fault, it is no one else's. If I wanted to take 15 minutes and sign these people up, they would pay their union dues and realize it and know it. When you are trying to wash cars, in a rotten business like we got in Detroit, you don't stop 15 minutes and sign people up. You wash cars.

Mr. Kennedy. So you are just taking this money out of the treasury

of the company and paying for these employees; is that right?

Mr. Dukes. That is right.

Mr. Kennedy. Do you know that that is illegal under the law?

Mr. Dukes. No, sir.

Mr. Kennedy. This money has to be deducted from the employees' salaries, or otherwise it is an unlawful payment.

Mr. Dukes. I didn't know it.

Mr. Kennedy. What does the union do for the employees?

Mr. Dukes. You will have to ask the employees.

Mr. Kennedy. Do you know that the union does anything for the employees?

Mr. Dukes. Not necessarily.

Mr. Kennedy. Do you know of anything that the union does for the employees!

Mr. Dukes. I know they place these people. I think they keep

them working off the streets.

Mr. Kennedy. You mean they have a hiring hall?

Mr. Dukes. I think so, yes.

Mr. Kennedy. Other than that, a hiring hall, which is a separate operation, other than trying to get them jobs, or they can go to someplace and get a job, and of course hiring halls themselves have been sharply criticized, other than that, does the union do anything for the employees that you know of?

Mr. Dukes. Not that I know of.

Mr. Kennedy. Then why is this \$42 paid each month?

Mr. Dukes. We have a contract.

Mr. Kennedy. Why did you sign the contract?

Mr. Dukes. As I said before, I think it is good business.

Mr. Kennedy. For what reason?

Mr. Dukes. I think the people that I do business with that get their cars washed, all of them, not all of them, but 90 percent of them, belong to a union in Detroit.

Mr. Kennedy. So you think it is good for you as an operator?

Mr. Dukes. Absolutely.

Mr. Kennedy. And it is good for the union because they get the \$42? Mr. Dukes. I don't think that hurts them any.

Mr. Kennedy. So the only group that doesn't benefit from it are the employees, who, after all, are why unions exist. Is that correct?

Mr. Dukes. It looks that way, doesn't it?

Senator Munder. If this is just an arrangement because it is good business for you as an employer, and I can understand that might be true, why do you pay 15 cents an employee off for some of your employees?

Mr. Dukes. Why do I? Senator Mundt. Yes.

Mr. Dukes. Because they are in the union, I signed them up, and they work for me steady. I only have four men that work steady. Can I talk to you a minute?

Senator Mundt. Yes.

Mr. Dukes. You made a comment on \$25 a week. Can you imagine a man that can get all the labor he wants for \$25 a week and can only afford to hire four of them?

Senator Munder. I am entirely perplexed about this situation.

Mr. Dukes. You should own a wash rack. Then you would be real perplexed.

Senator Munder. I notice in reading over the background about you,

that at one time you charged \$1.

Mr. Dukes. A dollar and a half we got once in Detroit. It was good. We are now at 85 cents.

Senator Mundt. Why is that?

Mr. Dukes. There is no money. There is no business. You can charge 85 cents and you still wouldn't wash any cars.

Senator Mundt. Tell me this, Mr. Dukes: Are your employees

covered by the minimum wage law?

Mr. Dukes. No, sir. It is piecework. Senator Mundt. Piecework?

Mr. Dukes. Yes, sir.

Senator Mundt. Piecework is not covered by the minimum wage law?

Mr. Dukes. Yes, sir. If there is anything that can be done to help the wash rack business, I would like to see it done, anything at all.

I know the union understands this. It is rough.

Senator Munder. Are you sure this qualifies as piecework where you guarantee them \$25 a week minimum and when they earn a little extra from their piecework, you keep it, according to the previous witness, because there are some days when you have to pay them when they are getting less commissions on amounts to the minimum?

Mr. Dukes. Here is how this works: Very seldom will a man make over \$25 a week at 35 cents a car. First of all, we will see that he doesn't. I will tell you why, very easily. Let's say—make it simple, let's say we work 10 men. If I held to 10 men, they will make more. But on the day I can wash cars, I throw in 25 men. I have to or I wouldn't wash cars if I don't. That is why, when you have split 25 cents 25 ways it doesn't come to much.

Senator Munder. That is not really a guarantee, though, according to the lady who testified. She said when it rains she comes down to work and nobody gets any cars washed and you send them home.

Mr. Dukes. And she knows as long as she has worked for me off and on, if she works a half day she gets paid for it. She knows that.

Senator Mundt. Is she guaranteed a definite \$25 a week minimum, rain or shine?

Mr. Dukes. Pardon?

Senator Muxor. Is she guaranteed a definite \$25 a week minimum,

Mr. Dukes. Yes, sir. If she puts her time in there and doesn't wash a car, if she stays there, she gets paid. If she stays there and doesn't wash one car, she gets paid for it.

Senator Mundr. Let me ask you specifically the way she told us. She comes in the morning at 9 o'clock, and sticks around to noon, it

rains all morning. You send her home, don't you?

Mr. Dukes. Yes, sir.

Senator Mundt. Do you pay her for that day?

Mr. Dukes. I pay her for half a day.

Senator Mundt. Suppose it rains all week, if you get a rainy week? Mr. Dukes. That happens in this business. We had 5 weeks of ice and snow this winter.

Senator Mundr. Does she get the \$25 a week minimum? Mr. Dukes. No, sir. It is according to the time put in.

Senator Mundt. It isn't a guarantee, then.

Mr. Dukes. It is for the time, yes, for the 7 days, yes. If she sits

Senator Mundr. Does she get \$25 if she sits 7 days?

Mr. Dukes. If she sits there and doesn't wash a car all day, yes, she gets it. But if she goes home, she doesn't get it.

Senator MUNDT. Who determines whether she goes home?

Mr. Dukes. I have had some of the help come and ask me, are we going to stay or do we go home? Sometimes they want to go home.

Senator Mund. What if they said, "Boss, I would like to sit around here all day. It is raining all day."

Mr. Dukes. I have had some leave at 9 o'clock and I still give them a half-day. I have never mistreated labor. It is hard to pay them what you would like to see them get, but I have never mistreated labor.

Senator Mund. Would you take a little time out and list for the benefit of the committee the benefit to the employees in the wash rack business that accrue to them because they belong to this union?

Mr. Dukes. I didn't hear you.

Senator MUNDT. Would you just take time out, and take all the time you need, and list for the benefit of this committee the benefits that flow to the employees in the wash rack business because they belong to this union.

Just one, two, three, four. List them down the line.

Mr. Dukes. Other than placement in jobs and seeing that they

ean work, I couldn't list any for you.

Senator Muxor. In other words, the only one that you know of is that they have a hiring hall and provide them with an opportunity to go to work. That is the benefit which comes to the employee and it also goes to the employer, because you have some central place that you can call and get help.

Mr. Dukes. You see, the union is pretty close to the wash rack They understand it. Most people that I have talked to don't understand it. It is something you got to understand. They understand this, they know what position the wash rack owners are in

Senator Munder. I don't doubt that. But you have listed one benefit. Go ahead and list the rest of them.

Mr. Dukes. Well, they couldn't demand any more from me. They

couldn't give them another benefit. I would close the doors.

Senator Munder. You list the benefits they don't have. List the ones they do have. Just the hiring hall, that would be your honest testimony, that as far as you know, the one benefit that goes to a union member in the wash rack business is he has a chance to be assigned to a job through the hiring hall of the union.

Mr. Dukes. That is right.

Senator Mundr. As far as you know, that is it?

Mr. Dukes. As far as I know.

Senator Munder. What percentage of your help do you get from the

hiring hall?

Mr. Dukes. What percentage? I couldn't give it to you in percentage, but when I am short a man and need one, I can call and get one.

Senator Mundr. What he gets is just a temporary job, he doesn't

get a permanent job?

Mr. Dukes. No. I don't want a permanent man.

Senator Mund. So they have to put an asterisk around that benefit. He has the benefit of being assigned to a job because he is a union member, and the union hall assigns him to a job, asterisk—footnote: Temporarily, part time.

Mr. Dukes. Every laborer I have had in the wash rack is tem-

porary.

Senator Mundt. You say you have four, who have stuck by you

through thick and thin.

Mr. Dukes. I have four men that are on solid with me. You heard the testimony of how many wash racks they work at. They come and go. Maybe they will work for me 3 months, maybe 2 weeks, maybe 1 week, maybe 1 day. They come and go. There is nothing I can do about it.

Senator Mund. How do you explain the fact that one of these nonunion wash racks is able to pay their employees more than you?

Do they make it up by washing cars?

Mr. Dukes. Yes, sir. Some suburban towns around Detroit have \$1.75 for washing the cars. If you are in a good neighborhood and people are making good money, they will spend it.

Senator Mundt. Most of your customers, you say, are union mem-

bers?

Mr. Dukes. We are in the location of Chrysler Corp., and if you know, Chrysler hasn't had things too good. They were laid off quite a bit. Most of the people who do come to our rack work for Chrysler. Now I understand they are going to move Plymouth out of Detroit, so it will get worse.

Senator Munder. I understand that most of your customers who

bring cars to your shop are union men; is that right?

Mr. Dukes. That is right.

Senator Munder, Is that the reason you thought it good business to belong to a union?

Mr. Dukes. Yes, sir.

Senator Mund. Do union men in Detroit object to paying union wages to the people with whom they do business!

Mr. Dukes. I don't hear you too well.

Senator Mund. Do union men in Detroit generally object to paying union wages to people with whom they do business!

Mr. Dukes. No, sir.

Senator Mund. Why do they want to hammer down this price, then, at \$25 a week, 85 cents a car, which is tough on you and tough on the men?

Mr. Dukes. It is tough on everybody.

Senator MUNDT. Why do these union members, whom I understand want to raise wages insist, when they take their cars to be washed, they want it done at a sweatshop!

Mr. Dukes. It is a funny thing about a human, but everyone I

know will save a dime when they can.

Senator Mund. At least, that is your thought?

Mr. Dukes. That is right, sir.

Mr. Kennedy. They don't come in and ask you if you are union or nonunion.

Mr. Dukes. No, sir. If I wash a car cheap enough, they don't give

Mr. Kennedy. They don't ask whether you are union or not? Mr. Dukes. No; but I have the sign out front and it looks good.

Senator Mund. If you put a sign up saying, "We are not a union shop, we can wash your cars for 75 cents," you would be busier than you are now?

Mr. Dukes. You might be.

Mr. Kennedy. Let me ask you about the fact that you get your employees from the union. Do you say you get all your employees from the union?

Mr. Dukes. No, sir.

Mr. Kennedy. What percentage do you get from the union? Isn't it a fact that you have an arrangement with the welfare department?

Mr. Dukes. They send us men.

Mr. Kennedy. You talk to them daily and they send you anybody you need?

Mr. Dukes. They send them when they can. Mr. Kennedy. They send anybody you need?

Mr. Dukes. Not all the time; no, sir. We also have men sent to us from Michigan unemployment. But there is a lot of mornings when they send no men.

Mr. Kennedy. Certainly that is not your sole source on this, the

mion ?

Mr. Dukes. No, sir; that is not the sole source.

Mr. Kennedy. And the union was formed, supposedly, for the benefit of the employee, and here the employees are receiving no benefit. The employer is receiving some benefit, and the union is receiving the money.

Mr. Dukes. I am certain that the union's hands are tied that they

couldn't get any more for these men.

Mr. Kennedy. You say the union officials understand you and your work so closely. It is a collusive arrangement if a ever saw one.

Mr. Dukes. No, sir.

Mr. Kennedy. When you have people working in this day and age for 70 hours a week, working 70 hours a week and making \$25 a week, it is the most disgraceful situation I ever heard of.

Mr. Dukes. You are right. You are right.

Mr. Kennedy. And the fact that the union is extracting 10 cents per employee, and you pay it or the employee pays it, it is perpetuating this system and—

Mr. Dukes. If you knew my investment and what I make, it is

even worse than that.

Mr. Kennedy. Then why pay the 10 cents to the union which is

not getting any benefits for the employees?

Mr. Dukes. Well, I think they will benefit the employees some day. This is the thing that is going to have to be straightened out somehow. We have 300 wash racks in Detroit. I would say 190 of them are in bad shape.

Mr. Kennedy. Then why pay the money to the union that is not

causing any benefits for the employee?

Mr. Dukes. I am certain the union is going to get this thing on

a higher plane some day. It has got to be.

Senator Mundt. Do you have a State minimum wage law in Michigan?

Mr. Dukes. Pardon?

Senator Mundt. Do you have a State minimum wage law in Michigan?

Mr. Dukes. I think so.

Senator Mundt. Does it also have a waiver on piecework?

Mr. Dukes. It doesn't apply to wash racks.

Senator Munder. What kind of law is that? Do you have a State minimum wage law that says wash racks are exempted?

Mr. Dukes. I don't know. I am no authority on those laws.

Senator Munder. We all kind of look to Detroit and Michigan. This is labor headquarters, where all the international big shots come from with the big salaries, Cadillac cars, political efforts and propaganda and all of that.

That is fine, but I want to explore what happens when they are in control or in charge. I would assume that the State of Michigan would have a reasonably good minimum wage law, and that they would present sort of a pilot demonstration to get others to adopt.

I know some of their representatives were here a week or so ago trying to recommend Federal legislation for the States. I recognize minimum wages are important, but I can't understand a law that would be passed in Michigan that would not include wash racks, as intrastate business. Are you exempt because you are engaged in piecework? That could be.

Mr. Dukes. I know nothing about that. I think if you will talk to Mr. Williams, he will be more interesting than me about the law on that. Every wash rack in town, I am certain, pays about like we

do.

Senator Munder. If the Governor of Michigan knows about these sweatshop conditions in Detroit, if he knows about them, I think he should be interested.

Mr. Dukes, I am interested.

Senator Mundr. It is something that is right at home. He doesn't have to come to Washington to solve this one. This is something that you never solve by bringing down 5,000 men and having a great big whoop-dee-doo. This is something that ought to be done with hard work in the union field, no politics, no prominence, no headlines. Just the old hard job of trying to get better working conditions for the men and women who labor. This at least should be part of the functions of a labor union.

You said it happened, where people come and work under those conditions. You say it is deplorable. I can't see how they live and support a family under it. It is going on under the noses of the very

most important labor people in this country.

I asked if you had a State law to do something about it, and you

said yes, but it doesn't include the wash racks.

Mr. Dukes. It suits me. I would like to do anything to help them. Senator Mund. You are not very happy, are you, with people working for you who are virtually starving to death?

Mr. Dukes. No, sir; I am not.

Senator Mundt. I wouldn't think so. It seems if you could work out an arrangement to charge the men \$1 or \$1.25, or high South Dakota standards of \$1.50, you could raise them in their wages. You wouldn't have all of this temporary help.

Mr. Dukes. That is right. I work maybe 200 people a year. That is the kind of turnover it is. It is horrible to have a turnover like that. It is awfully bad. I would like to open up and know I

have so many man and will do so much business.

The Chairman. Do you think you would get permanent employees if you paid decent wages?

Mr. Dukes. I think maybe someday it will come to that, where

a man can depend on something.

Senator Mund. Why doesn't the union work for them? Why don't they try to get the wages up, get the prices up, so that the thing is in balance, and give these poor people in Michigan the right to enjoy standards of living like they do in other parts of the country?

Mr. Dukes. Well, we tried our own. We cut prices to 85 cents to see if that would help it. It hasn't. I am at my rope's end. I don't

know what else to do with it.

Senator Mundt. What were you paying your employees when you were getting \$1.50 per car wash?

Mr. Dukes. I have seen my men make as high as \$18 a day.

Senator Munder. You have seen them?

Mr. Dukes. I have seen that; yes. Back in 1955 business was good. Senator Mund. The same people who are now making \$25 for 70 hours a week.

Mr. Kennedy. It has been testified that they were making the same

in 1955.

Mr. Dukes. We got \$1.50 for a wash then. I even had a system where I paid all my regular help a penny a car bonus. If we washed 300 cars, he made what was his regular salary plus a penny a car extra. But we washed cars.

Mr. Kennedy. Why have things gone to pot then?

Mr. Dukes. You are asking me that?

Mr. Kennedy. I am asking you that. You are the witness.

Mr. Dukes. You just lost yourself a witness. I wish I was wrong. You are asking me and they brought 5,000 people down here.

Mr. Kennedy. Well, they didn't seem to get anything done as far

as helping the people in Detroit are concerned.

I don't know. Mr. Dukes. I wish I knew what was wrong.

The Chairman. Is there anything further?

Mr. Kennedy. When the car washers receive tips, do you set that aside for them?

Mr. Dukes. No, sir; we kept it.

Mr. Kennedy. You keep the car washers' tips? Mr. Dukes. Yes, sir. Do you want to know why?

Senator Mundr. It is the same way in the hat-check business. If you give a tip to a hat-check girl, the boss keeps it. I am a little curious when a man is working at as low wages as these people are that you keep the tips. I would like to know why.

Mr. Dukes. We pay for their coveralls. We lose money on that,

too, but it helps.

Mr. Kennedy. Do you mean what they have to wear to work? Mr. Dukes. What they wear while they work, to protect their clothes; yes.

Mr. Kennedy. You feel, therefore, you are entitled to the tips?

Mr. Dukes. That is right.

Mr. Kennedy. When you are paying these people \$25 a week?

Mr. Dukes. That is right. You may not know it, but \$25 a week is a lot of money for an operator to guarantee these people. That sounds funny to you, but it is not funny.

Mr. Kennedy. Not funny. I think it is tragic. Have you dis-

cussed this with Mr. Bufalino?

Mr. Dukes. No, sir.

Mr. Kennedy. Have you discussed the fact of these situations at all with Mr. Bufalino?

Mr. Dukes. He knows it, I imagine.

Mr. Kennedy. Have you discussed it with him?

Mr. Dukes. The conditions in Detroit?

Mr. Kennedy. The conditions in the car wash.

Mr. Dukes. Not with Bufalino himself, no. I never saw the man in my life.

Mr. Kennedy. Have you talked to him on the telephone?

Mr. Dukes. Not lately.

Mr. Kennedy. Have you talked to him occasionally on the telephone?

Mr. Dukes. No. sir.

Mr. Kennedy. Have you talked to him on the telephone at all? Mr. Dukes. Yes, sir; once or twice in my life a long time ago.

Mr. Kennedy. What about the other union officials?

Mr. Dukes. I talk to Newman, Shaw and Mr. Welsh often.

Mr. Kennedy. Have they told you that you should raise the wages of the employees!

Mr. Dukes. They know I can't raise the wages.

Mr. Kennedy. Then why do they take the money?

Mr. Dukes. The dues?

Mr. Kennedy. Yes.

Mr. Dukes. They have a charter, I understand.

Mr. Kennedy. Why do they take the money if they can't do any good for the employees? Why do they take the \$42 a month?

Mr. Dukes. Why does any union take dues?

Mr. Kennedy. Because they are going to help the employees, supposedly, and if they can't help the employees and somebody is making \$3 a day, they don't take 15 cents from their wages. They don't do that.

That is all, Mr. Chairman.

The CHARMAN. Is there anything further?

The committee will stand in recess until 2 o'clock this afternoon.

(Members of the select committee present at time of recess: Senators McClellan and Mundt.)

(Whereupon, at 12:40 p.m., the select committee recessed, to reconvene at 2 p.m. the same day.)

AFTERNOON SESSION

(The select committee reconvened at 2 p.m., Senator John L. Mc-Clellan (chairman) presiding.)

The CHAIRMAN. The committee will come to order.

(Members of the select committee present at time of convening: Senators McClellan and Capehart.)

The CHAIRMAN. Call the next witness.

Mr. Kennedy. Mr. Scaramuzzino. The Chairman. Be sworn, please.

You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Scaramuzzino. I do.

TESTIMONY OF TONY SCARAMUZZINO

The Chairman. State your name, your place of residence, and your business or occupation.

Mr. Scaramuzzino. Tony Scaramuzzino, 12825 Jane Street, De-

troit 5, Michigan.

The Charman. What is your business or occupation, please?

 \mathbf{M} r. Scaramuzzino. I am a partnership in Tony's Automatic Car Wash.

Mr. Kennedy. You spell your name S-c-a-r-a-m-u-z-z-i-n-o; is that correct?

Mr. Scaramuzzino. That is correct.

Mr. Kennedy. You are a partner of Mr. Dukes?

Mr. Scaramuzzino. Of Mr. Dukes.

Mr. Kennedy. Evidently, from the testimony this morning, you were the one that prepared this list?

Mr. Scaramuzzino. I did.

Mr. Kennedy. You are familiar with it, are you not?

The CHAIRMAN. This list refers to exhibit 81. I am identifying it for the record.

Mr. Kennedy. Did any of these individuals that you had listed here—were they aware of the fact that they were in the union?

Mr. Scaramuzzino. Two or three of them might have been; yes.

Mr. Kennedy. Two or three out of the 21?

Mr. Scaramuzzino. Yes.

Mr. Kennedy. For all the others, you just paid the money?

Mr. Scaramuzzino. I paid for it myself,

Mr. Kennedy. On the side, on deductions, you have 20 days for one man, 20 days, \$3: 10 days, \$1.50. Did you know that to be a fact, that that is how long they worked?

Mr. Scaramuzzino. Not exactly. I just used that figure. That

is about the average days they come in for the month.

Mr. Kennedy. So it was just a rough summary by you; is that right?

Mr. Scaramuzzino. Yes.

Mr. Kennedy. There were no exact records kept?

Mr. Scaramuzzino. No.

Mr. Kennedy. You just felt you had to make a payment of so

much each month to the union?

Mr. Scaramuzzino. I knew I had to make a payment. I had the dues there and had the slips and I was supposed to get them filled out and it was through my own fault that I did not do it.

Mr. Kennedy. So you just had the amounts—

Mr. Scaramuzzino. That has not been paid yet or accepted by the local union.

Mr. Kennedy. This is just the procedure that you followed in the

past?

Mr. Scaramuzzino. Yes. The last time I done that, they sent it back to me.

Mr. Kennedy. You have done it when they did not send it back to

you, have you not?

Mr. Scaramuzzino. When they did not sent it back to me, it was all right.

Mr. Kennedy. But you followed the same procedure?

Mr. Scaramuzzino. Yes. If I could get away with it, it was in there.

Mr. Kennedy. What was necessary was that you pay the same amount each month?

Mr. Scaramuzzino. Yes.

Mr. Kennedy. And you tried to put the names in to come out correctly; is that right?

Mr. Scaramuzzino. That is right.

Mr. Kennedy. Actually, what it amounted to, really, was just a shakedown of you, was it not?

Mr. Scaramuzzino. No.

Mr. Kennedy. What else is it? Is it a collusive arrangement between you and the union?

Mr. Scaramuzzino. No, it is not.

Mr. Kennedy. What is it?

Mr. Scaramuzzino. Union dues that should be paid by the employees.

Mr. Kennedy. But the employees don't even know they are in the

union.

Mr. Scaramuzzino. The union told me how to go about it, how to make these guys fill out the slips and everything. The fact it wasn't done was my fault, not the union's fault.

Mr. Kennedy. Why do you recognize the union? Mr. Scaramuzzino. Why do I recognize the union?

Mr. Kennedy. Yes. If the employees don't want the union or recognize the union, why do you want the union?

Mr. Scaramuzzino. Because as far as I am concerned, it is a good

thing.

Mr. Kennedy. For the employer?

Mr. Scaramuzzino. For the employer and the employees.

Mr. Kennedy. How is it good for the employees?

Mr. SCARAMUZZINO. They benefit by being able to get jobs through the union hiring hall.

Mr. Kennedy. But you go to the welfare department.

Mr. Scaramuzzino. Yes, but we have more than one medium to get help from.

Mr. Kennedy. But they can go to the welfare department and get

the job. Do you contribute to the welfare department?

Mr. Scaramuzzino. No.

Mr. Kennedy. You should be contributing money to the welfare

department, then.

Mr. Scaramuzzino. We contribute to the welfare department in this sense: that we take those people on relief and put them to work. Consequently, the welfare don't have to pay these people relief. The more people we hire from the welfare, the less the welfare has to pay these people.

Mr. Kennedy. Other than running a hiring hall, which is ques-

tionable, the employees do not benefit from this procedure?

Mr. Scaramuzzino. I don't know. I am not familiar with the union benefits.

Mr. Kennedy. You said it was for the benefits of the employees.

Do you know of any other benefit to the employees?

Mr. Scaramuzzino. No, because I am not acquainted with that part of the union business.

Mr. Kennedy. Then you do not know of any benefit to employees?

Mr. Scaramuzzino. No.

Mr. Kennedy. That is all, Mr. Chairman. The Chairman. Are there any questions?

If not, call the next witness.

Mr. Kennedy. Mr. Eugene Lazewski.

The CHAIRMAN. Be sworn.

You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Lazewski. I do.

TESTIMONY OF EUGENE LAZEWSKI

The Chairman. State your name, your place of residence, and your business or occupation.

Mr. Lazewski. Eugene J. Lazewski, 8038 Orien, Detroit, Mich.

The Chairman. What is your business or occupation?

Mr. Lazewski. I am in the auto wash business, and an auto wash proprietor.

The Chairman. Do you waive counsel?

Mr. Lazewski. Yes, I do.

The CHAIRMAN. Proceed.

Mr. Kennedy. You spell your name L-a-z-e-w-s-k-i; is that right?

Mr. Lazewski. Yes.

Mr. Kennedy. You are the owner of the Hack-Wax Auto Wash?

Mr. Lazewski. Yes.

Mr. Kennedy. 14440 East Seven Mile Road; is that right?

Mr. Lazewski. Yes.

Mr. Kennedy. In 1952 you owned the Clean Car Wash in Hamtramck?

Mr. Lazewski. In Hamtramck, Mich.

Mr. Kennedy. And you opened your present business in 1954?

Mr. Lazewski. Yes.

Mr. Kennedy. Up to 1956 your place was nonunion; is that correct?

Mr. Lazewski. Yes.

Mr. Kennedy. About July 1956, Messrs. Welsh and Newman, representing local 985, came by to see you; is that right?

Mr. Lazewski. Yes.

Mr. Kennedy. They told you they had a majority of your employees signed up?

Mr. Lazewski. Yes.

Mr. Kennedy. And asked for a union contract?

Mr. Lazewski. Yes.

Mr. Kennedy. Did you ask about seeing the cards?

Mr. LAZEWSKI. I didn't think at the time Mr. Welsh and Mr. Newman were in my place of business they had a majority representation of our employees and, therefore, we doubted them at this time. We didn't want to discuss it any further and I told them we didn't recognize them as bargaining agents or as the union and we asked them to leave our premises.

Mr. Kennedy. What happened next?

Mr. Lazewski. After that, we had received several phone calls asking us to meet with the unions for bargaining, which we did not comply with. After that, we received several registered letters requesting us for meetings with the union.

Mr. Kennedy. Then you sought legal counsel; is that right?

Mr. Lazewski. After we were receiving several letters, I felt that at this time we needed legal counsel, which we got, and we petitioned for an appearance before the State mediation board. We felt that if our employees wanted a union at this time and if local 985 had the majority of our men signed up, we would agree with a contract with them.

We appeared for several sessions with the State mediation board at this time, seeking or wanting to see proof from the union showing us that they did have a majority of our help signed up, which they couldn't prove at any of these meetings. So we were getting postponements week after week.

Finally, Mr. Bufalino stated that if we couldn't get anything accomplished at these mediation boards, that our place would be

eventually blackmail picketed.

The Chairman. Would be what? Mr. Lazewski. Blackmail picketed.

Mr. Kennedy. He didn't say blackmail picketed, did he?

Mr. Lazewski. No, not that.

Mr. Kennedy. Just say what he said.

Mr. Lazewski. He said our place would be subject to picketing. The Chairman. How did you interpret it to be blackmail picketing? Because he didn't have a majority of your employees and, therefore, he was picketing you to compel you to place them in the union whether they wanted to be or not?

Mr. Lazewski. Yes.

The Chairman. Or compel you to recognize the union without them having the majority of your employees?

Mr. Lazewski. Yes. I felt that at that time.

The Chairman. Is that the sense of the term in which you use the words "blackmail picketing"?

Mr. Lazewski. Yes.

The Charman. All right; proceed.

Mr. Kennedy. In August 1956, the picketing started; is that right?

Mr. Lazewski. Yes, it did.

Mr. Kennedy. Did any of your employees picket?

Mr. Lazewski. No. All of our employees were working. None of them were out on a picket line.

Mr. Kennedy. Did you try to get a temporary injunction?

Mr. Lazewski. Yes, we did. At this time, we felt that we needed a temporary injunction restraining the pickets, and to further negotiations with the union. So we went to circuit court and made an appeal there, and we got another postponement.

In the meantime, the pickets were in front of our place of business. Gradually we were losing revenue by not being able to do the work. Eventually, we tried to go to the Supreme Court, which

we did, and couldn't get a decision there.

Mr. Kennedy. Why not?

Mr. Lazewski. Well, it was during the summer months and most of the judges were on vacation. I think our legal counsel managed to talk to one of the judges. He refused to order an injunction on the grounds that the petition had not been acted on by the lower courts.

The Chairman. Let me ask you this: Prior to the time that the union contacted you and undertook to enter into negotiations, had any of your employees ever discussed with you the prospects or their desire for a union?

Mr. Lazewski. No, they didn't.

The CHAIRMAN. I am talking about prior to the time the union contacted you, or its representatives contacted you in any way about becoming a union plant, had any of your employees discussed it with you and said, "We want a union. We want to belong to a union. We want somebody to represent us in bargaining matters."

Mr. Lazewski. No, sir, Senator; they never did.

The Chairman. All right. Up to the time of the picketing, when your place was picketed by the union, had any of your employees, up to that time, requested that you recognize a union as their bargaining agent, or told you that they wanted a union?

Mr. Lazewski. No, sir; they didn't.

The CHAIRMAN. What I am trying to determine is whether this was all a voluntary action on the part of union officials or their

representatives, and not something that emanated from the thinking and will of the men themselves. In other words, who initiated it? Did they have the men signed up? Did they have their consent, your employees, in order to contact you about recognizing them as the bargaining agent?

Mr. Lazewski. No, I don't think they had the majority of the employees signed up or any of them. I think it was a voluntary

part---

The Chairman. You used the term "blackmail" or "shakedown" picketing, whatever you want to term it. What I am trying to determine is whether they had any basis for that, any authority as representatives of your men, your employees, to take that means, that economic force against you, in order to compel you to put your men in the union. In other words, if they did it without any authority of the men in your employ.

Mr. Lazewski. Yes, I think they did.

The CHAIRMAN. All right.

Mr. Kennedy. You tried to get some alleviation of the problem in the courts and were unable to do so, and your business was suffering. Was the union also contacting your customers and telling them

not to use your car wash?

Mr. Lazewski. Well, our operation was a little different from the average auto wash in the city due to the fact that we had an added line outside of car washing. We were in the auto reconditioning, and we felt that all during the time of picketing, while the income would be dropping from customers not patronizing our place of business, we would still be able to maintain our payrolls and our upkeep by doing the auto reconditioning.

We were getting this work on new and used cars from auto dealers around the city. This was sort of a challenge for the organizing local at this time, because we were probably the first one

of its kind that they had encountered this experience with.

Therefore, after a period of days, they found where we were getting this work. They would call the dealers and tell them that Hack-Wax was having trouble with the Teamsters, and they would appreciate it if the dealers would give them the cooperation by not sending the work to us.

Gradually, after this was done, even that revenue was dropping off. We wasn't able to get as many cars in as we were usually getting

over a period of a week.

Mr. Kennedy. So you finally decided that you better sign up;

is that right?

Mr. Lazewski. Yes. Finally, after seeing that we were unable to receive court action, and gradually the pickets were there, we decided that we would sign a contract.

Mr. Kennedy. Who did you sign the contract with?

Mr. Lazewski. Well, I signed it with local 985.

Mr. Kennedy. Did you discuss it with any official of 985?

Mr. Lazewski. Yes. I discussed it with Mr. Bufalino.

Mr. Kennedy. Would you relate to the committee what arrangements you made with him?

Mr. Lazewski. Well, there were different types of contracts.

Mr. Kennedy. Did he give you a choice of contracts?

Mr. Lazewski. Yes, he did. There were different contracts. I had three to look at at a time. We finally agreed on one.

Mr. Kennedy. Did this improve the wages, hours or conditions of

your employees, the contract?

Mr. Lazewski. No, I don't think it did.

Mr. Kennedy. As a matter of fact, they were doing less well under the contract than they had been doing previously; is that right?

Mr. Lazewski. Yes.

Mr. Kennedy. Did Mr. Bufalino say to you that he had to make

it appear that they were getting an increase in wages?

Mr. Lazewski. Yes, he did. He said that we would have to give the men more money because, after all, "We have picketed your place for a number of weeks. After signing a contract, we would have to make it look like we did get an increase of money for your men."

Mr. Kennedy. So how was that arranged?

Mr. Lazewski. Well, the only way it was is that there was just

an increase in productivity; that is all.

Mr. Kennedy. Instead of, for instance, where you had the classification called the buffer; is that right?

Mr. LAZEWSKI. Yes.
Mr. Kennedy. You had been paying them how much?

Mr. Lazewski. Well, before the union came in, I was paying a buffer, for example, which was one of the classifications in our department, \$45 a week guaranteed.

The Chairman. \$45?

Mr. Lazewski. Yes.

Mr. Kennedy. For how many cars?

Mr. Lazewski. That was for 65 cars a week. Mr. Kennedy. How much were you paying after the union came in?

Mr. Lazewski. After the union came in, we raised his guarantee \$5, so we were paying him \$50 a week then, but it meant also that he would have to do 10 additional cars. So we raised the production 10 cars a week.

Mr. Kennedy. So he would get \$50 for 75 cars cars; is that right?

Mr. Lazewski. Yes.

Mr. Kennedy. Under your old system, if he did 75 cars how much would be have gotten paid?

Mr. Lazewski. He would have gotten paid \$51.

The CHAIRMAN. He lost a dollar.

Mr. Kennedy. So this, as a matter of fact, went down a dollar.

Mr. Lazewski. It went down a dollar, actually.

Mr. Kennedy. But it appeared to the employees, did it not, that they were getting an increase in wages?

Mr. Lazewski. Yes.

Mr. Kennedy. What about No. 2 buffer?

Mr. Lazewski. Well prior to unionism, his rate of pay was a guarantee of \$35 a week.

Mr. Kennedy. That was 65 cars?

Mr. Lazewski. That was on 65 cars?

Mr. Kennedy. How much was it afterwards?

Mr. Lazewski. That remained the same.

Mr. Kennedy. But did he have to do 75 cars then?

Mr. Lazewski, Yes.

Mr. Kennedy. So that was down?

Mr. Lazewski. Yes.

Mr. Kennedy. So he was getting \$35 by you for doing 65 cars, and after the union came in he had to do 75 cars to get \$35?

Mr. Lazewski. Yes. Mr. Kennedy. What about the chrome man. He was getting how much?

Mr. Lazewski. Well, he was getting \$27 a week guaranteed.

Mr. Kennedy. How much under the union? Mr. Lazewski. His pay remained the same.

Mr. Kennedy. So he was getting \$27 for 65 cars before, and now he is getting \$27 and he has to do 75 cars?

Mr. Lazewski. Yes.

Mr. Kennedy. What about the wheels and trunk?
Mr. Lazewski. The wheel and trunk, they were getting \$21 a week guaranteed, and when the union came in that went up \$4. now getting \$25.

Mr. Kennedy. But for 75 cars?

Mr. Lazewski. And that was for 75; yes, sir.

Mr. Kennedy. What if he did 75 cars under the former system, if he did 10 cars? How much would be get for that?

Mr. Lazewski. He would have gotten an additional \$3.

Mr. Kennedy. So that would have only brought him up to \$24. So actually, for the wheels and trunk man, the union brought an increase of \$1?

Mr. Lazewski. Yes.

The CHAIRMAN. How much of that did the union get back in dues? Mr. Lazewski. Ten cents a day for every man working there.

The CHAIRMAN. So they got 60 or 70 cents a week of it back for that one man?

Mr. Lazewski. Yes.

The Chairman. So he got an increase, then, of 30 or 40 cents a week, in that particular category or classification, wheels and-what did you call it?

Mr. Kennedy. The wheels and trunk men.

The Chairman. Actually, if they got a dollar increase in wages. that is what it amounted to—is that correct?

Mr. Lazewski. Yes.

The Chairman. The union got back 60 or 70 cents, whichever it was. 60 cents of that in dues?

Mr. Lazewski, Yes.

The Chairman. So the union got them 40 cents a week benefit in that category; is that right?

Mr. Lazewski. Yes, it is.

The Chairman. Whereas, some of the others lost a dollar a week: is that correct?

Mr. Lazewski. Yes, it was.

The Chairman. Some of the others got their work increased, by the number of cars. In fact, they all got that, didn't they?

Mr. Lazewski. Yes, they did.

The Charman. They had to work harder?

Mr. Kennedy. Actually, the dues now are what?

Mr. Lazewski. They have just been raised a nickel a day. They are 15 cents a day now.

Mr. Kennedy. So actually the men are now losing. This group is losing money, also, the wheels and trunk men.

The CHAIRMAN. They make 10 cents a week extra, don't they!

Mr. Kennedy. I am sorry. You are right. Ten cents a week. The Chairman. They are making 10 cents a week extra now.

Mr. Kennedy. Then the windows and interior men were making \$25 before for 65 cars; is that right?

Mr. Lazewski. That is right.

Mr. Kennedy. Then it was \$27 for 75 cars?

Mr. Lazewski. Yes.

Mr. Kennedy. And that actually amounted to being down also; is that right?

Mr. Lazewski. Yes.

Mr. Kennedy. And the detailer No. 1, in the waxing department, was making \$25 before?

Mr. Lazewski. Yes.

Mr. Kennedy. How much was he making under the union contract?

Mr. Lazewski. He was making \$25 also.

Mr. Kennedy. But for 75 cars?

Mr. Lazewski. Yes.

Mr. Kennedy. So that was down? Mr. Lazewski. That was down.

Mr. Kennedy. And detailer No. 2, the same situation?

Mr. Lazewski. Yes.

Mr. Kennedy. \$25 and that was down. Waxer No. 1, \$27?

Mr. Lazewski. Yes.

Mr. Kennedy. And that was down because it was down for 75 cars?

Mr. Lazewski. Yes.

Mr. Kennedy. Waxer No. 2 had the same situation?

Mr. Lazewski. Yes.

Mr. Kennedy. And the inspector, \$35, remained the same, is that right?

Mr. Lazewski. Yes.

Mr. Kennedy. So out of the various classifications—there are 10 classifications—one remained the same, one was an increase of a dime, and the others were all down?

Mr. Lazewski. Yes.

Mr. Kennedy. So the vast majority of the employees lost out on that, is that right?

Mr. Lazewski. Yes.

The Chairman. No one benefited from this except the union and the employer; isn't that correct? You benefited by getting rid of the strike, the picketing?

Mr. Lazewski. Yes.

The CHAIRMAN. In other words, you got to continue in business without business being taken away from you by entering into this agreement with the union. That is correct?

Mr. Lazewski. Yes, sir.

The Chairman. But the men really got nothing out of it and some of them got less?

Mr. Lazewski. Yes, sir.

The CHAIRMAN. And they all got more work, isn't that correct?

Mr. Lazewski. Yes, sir.

The CHAIRMAN. They all got more work and less pay. That is, the men who did the work, who had to be placed in the union. Did they go in there with their consent?

Mr. Lazewski. I don't know if they did go in there with their

consent or not. It just eventually happened we signed a contract.

The Chairman. They didn't consent to you, did they? Mr. Lazewski. They didn't consent to me; no.

The Chairman. You just put them in?

Mr. Lazewski. Right.

Senator Capehart. How many employees did you have?

Mr. Lazewski. At that time I think we had about 30.

Senator Capemart. Thirty employees?

Mr. Lazewski. Yes.

Senator Capehart. What were the union dues per month?

Mr. Kennedy. It was 10 cents per day.

Mr. Lazewski. If all of them worked the proper amount of time. I don't remember exactly, it was probably \$75 per month.

Senator Capehart. \$75 a month? Per employee?

Mr. Lazewski. No; for all of them.

Senator Capehart. The whole fight, then, and the whole argument. was over \$75 a month?

Mr. Lazewski. Probably; yes, sir.

Mr. Kennedy. Also, you had in the car wash division the front line foremen making \$40 a week?

Mr. Lazewski. Yes. I had two line foremen. They worked up

in the front. They were making \$40 a week at the time.

Mr. Kennedy. How much are they making under the union scale? Mr. Lazewski. Well, if we had to abide by the union contract, it meant that we would have to pay them \$120 a month minimum, which meant that it would be less than what they were making.

Mr. Kennedy. That amounts to about \$30 a week.

Mr. Lazewski. About \$30 a week.

Mr. Kennedy. So they lost \$10 a week.

Mr. Lazewski. Well, we still continued——

Mr. Kennedy. I know you did, but under the union scale, if you wanted to conform to the union scale, you could have paid them \$10 a week less?

Mr. Lazewski. Yes.

Mr. Kennedy. And in addition to that, they had to work 24 days out of 30, did they not?

Mr. Lazewski. Right; they had to work 24 days out of 30 every

month.

Mr. Kennedy. That is 6 days a week?

Mr. Lazewski, Yes.

Mr. Kennedy. That is in order to collect even \$120?

Mr. Lazewski. Yes.

Mr. Kennedy. If they didn't work that amount of time, then they weren't even entitled to the \$120 for the month?

Mr. Lazewski. Right.

Mr. Kennedy. That is under the contract?

Mr. Lazewski. Right.

Mr. Kennedy. The front line foreman was \$30. You had been paying him \$30?

Mr. Lazewski. Yes.

Mr. Kennedy. That remained the same?

Mr. Lazewski. Yes; that remained the same.

Mr. Kennedy. Except, once again, the provision in the contract that he had to work 6 days a week for 4 weeks in order to collect that amount?

Mr. Lazewski. Yes.

Mr. Kennedy. And which was very, very difficult. Then the back end foreman, \$35. What happened to that?

Mr. Lazewski. Well, his pay remained the same, but actually we

could have paid him less.

Mr. Kennedy. And the car washers received a guarantee of \$3 a day?

Mr. Lazewski. Yes.

Mr. Kennedy. Again, that amounted to less because they had to work the 24 days; is that right?

Mr. Lazewski. Right.

Mr. Kennedy. Otherwise, they wouldn't collect that.

Did some of your men tell you that they didn't want to belong to

the union?

Mr. Lazewski. Yes. I heard the conversations several times on the premises of the building that they didn't want to belong to the union, but I guess they had no choice. They automatically became members.

Mr. Kennedy. And you deduct the 15 cents from their wages?

Mr. Lazewski. Yes.
Mr. Kennedy. A new employee that comes to work for you, is he

ever notified he is in the union?

Mr. Lazewski. No: I never notify them. A new man, whenever he starts working, we automatically start deducting the union dues. whether he works for us 1 day, 2, or 30 out of the month.

Mr. Kennedy. Do you know if anybody ever comes around and

talks to the employees?

Mr. Lazewski. Do you mean from the union?

Mr. Kennedy. Yes.

Mr. Lazewski. We have periodical visits, probably one a month, from the agents of the local.

Mr. Kennedy. So they are familiar with the fact of what is going

on in the shop?

Mr. Lazewski. Yes; they are.

The CHAIRMAN. Do they come around just to collect their dues?

Mr. Lazewski. No. We mail the dues in automatically monthly or quarterly. But they never ask us for them right then and there directly.

Mr. Kennedy. You just try to send in a certain amount each

month; is that right, and they make the names up?

Mr. Lazewski. No. We have an accurate record of the amount

of dues deducted from the help.

Mr. Kennedy. You don't folllow the same procedure as the previous witness?

Mr. Lazewski. No. I don't.

Mr. Kennedy. You try to keep accurate records?

Mr. Lazewski. We have accurate records; ves.

Mr. Kennedy. Is that difficult for you?

Mr. Lazewski. It is time consuming because I have to do all this work myself. We haven't any additional bookkeeper or anyone hired to do that.

Mr. Kennedy. Does the union perform any help for the employees;

do any good for the employees!

Mr. Lazewski. Not that I know of.

Mr. Kennedy. There is no fringe benefit, no welfare, or anything like that!

Mr. Lazewski. No.

Mr. Kennedy. That is all.

The Charman. Do you get any of your help from the union? Do you call them to send your employees down there?

Mr. Lazewski I don't think I ever called the union hall for help,

Senator.

The Charman. Do you get some yours from the welfare

department?

Mr. Lazewski. Yes, we do. We have several sources to get our help when we need it. One of them is the welfare department. The other is the Michigan unemployment agencies. In case of an emergency, that is who we call.

The CHAIRMAN. Thank you very much.

Call the next wi,ness.

Mr. Kennedy, Mr. Duff.

The CHAIRMAN. Come forward, Mr. Duff.

Be sworn, please.

You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Duff. I do.

TESTIMONY OF GERALD DUFF

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. Duff, Gerald Duff, 6663 Kenmore, Dearborn, Mich. I am

now employed in an engineering firm.

The Chairman. All right. Do you waive counsel?

Mr. Duff. I do, sir.

The CHARMAN, Thank you.

All right, Mr. Kennedy, you may proceed.

Mr. Kennedy, Mr. Duff, you leased a hand-equipped auto-wash building back in July of 1956; is that correct

Mr. Duff. That is right, sir.

Mr. Kennedy. At 6588 North Telegraph, Dearborn, Mich.?

Mr. Duff. That is right.

Mr. Kennedy. It was known at that time as the Bubble Bath Auto Wash?

Mr. Duff. That is correct.

Mr. Kennedy. You installed some mechanical equipment in there?

Mr. Duff. I installed automatic equipment. Mr. Kennedy. Costing you about \$15,000?

Mr. Duff. That is right, sir.

Mr. Kennedy. You employed how many men during that period of time?

Mr. Duff. My operation wasn't too large. I employed, starting Monday, five men. Tuesday would be six. For example, Friday approximately 8, and over the weekend it would be 12, 13 to 14 men in my operation.

Mr. Kennedy. And you gave a minimum guarantee of \$4 a day?

Mr. Duff. That is right, sir.

Mr. Kennedy. And when the men stayed on for a period of time, you raised it?

Mr. Duff. I raised their guarantee. Mr. Kennedy. Up to \$5 and \$6 a day?

Mr. Duff. One got \$7.

Mr. Kennedy. You had regular help, did you not?

Mr. Duff. I had the same help for over 2 years. I didn't have a changeover of help.

Mr. Kennedy. Why didn't you pay them the \$3 dollars as has been

discussed here?

Mr. Duff. Why didn't 1?

Mr. Kennedy. Yes.

Mr. Duff. Well, I wanted dependable help for one thing, and I just didn't have the heart to pay a wage they couldn't eat on.

Mr. Kennedy. Then you in addition to giving them the guaranteed wage you would split 50-50 with the men after 100 cars; is that right?

Mr. Duff. After the guarantee, every dollar that came in was split down the middle. They took half and I took the other half. Mr. Kennedy. The men worked 6 days a week?

Mr. Duff. That is right.

Mr. Kennedy. And with everybody getting 1 day off every week?

Mr. Duff. That is right.

Mr. Kennedy. As you say, your men stayed with you continuously? Mr. Duff. That is right. I didn't have a changeover in help.

Mr. Kennedy. And if the man showed up in the morning, he received his guaranteed wage for the whole day?

Mr. Duff. If it rained, he could go home. If he showed up that

day, he received his guarantee for the whole day.

Mr. Kennedy. Even if it rained?

Mr. Duff. That is right.

Mr. Kennedy. Then on Christmas Day you gave them the keys to the premises and allowed them to run the car wash themselves?

Mr. Duff. That is right. Everything that came in was theirs.

Mr. Kennedy. About 6 months after you began in January of 1957, a union representative came to see you?

Mr. Duff. Not directly. They came to see my men. No union representative ever talked to me directly.

Mr. Kennedy. What did they say?

Mr. Duff. The men came and told me they were opposed to joining the union.

Mr. Kennedy. What did they tell you? Mr. Duff. That they didn't want it.

Mr. Kennedy. And that the union representative from local 985 tried to get them to join the union?

Mr. Duff. I don't recall the local. I believe that is the only one.

Mr. Kennedy. Then did you receive a notification from the State mediation board to appear?

Mr. Duff. To appear, that is right.

Mr. Kennedy. To show cause why you should not accept your employees' wishes to join the union?

Mr. Duff. That is correct.

Mr. Kennedy. And your employees had already indicated that they did not want to join the union?

Mr. Duff. That is correct.

Mr. Kennedy. Did you appear before the board?

Mr. Duff. Yes; I did.

Mr. Kennedy. And there were ax or seven other operators present?

Mr. Duff That is right.

Mr. Kennedy. Was Mr. Bufalino there?

Mr. Duff. Yes.

Mr. Kennedy. Would you relate to the committee what happened before the Board?

Mr. Duff. Mr. Bufalino had these applications, I don't recall the amount——

Mr. Kennedy. Application cards?

Mr. Duff. Application cards supposedly signed by my help. That was supposed to be more than half of my employees. Well, upon examining the cards, not one individual had ever worked for me, the name had never been familiar, and the date on the application was dated before the building had ever been built.

Mr. Kennedy. This was a new building that you were working in?

Mr. Duff. That is right.

Mr. Kennedy. These were the cards that Mr. Bufalino provided?

Mr. Duff. That is right.

(At this point Senator Capehart withdrew from the hearing room.) The Charrman. We will have to suspend for a few minutes.

(A brief recess was taken. After the recess, the following members of the select committee were present: Senators McClellan and Curtis.)

The Chairman. The committee will come to order.

Proceed, Mr. Kennedy.

Mr. Kennedy. You were talking about the fact that at the meeting of the State mediation board, Mr. Bufalino came forward with the cards; is that correct?

Mr. Duff. That is correct.

Mr. Kennedy. And he said he had your employees signed up?

Mr. Duff. That is correct.

Mr. Kennedy. You looked at the dates of the cards and—first you saw that none of these people had worked for you?

Mr. Duff. That is right.

Mr. Kennedy. And they were signed prior to the time of the building being erected?

Mr. Duff. That is correct.

Mr. Kennedy. Did you have a dispute back and forth with Mr. Bufalino?

Mr. Duff. Yes; I brought that point up to the board, and it is on the record. I believe that is one of the reasons that they decided in my favor, that the union was not the proper bargaining representative for my men.

Mr. Kennedy. What was Mr. Bufalino's attitude toward you at that time?

Mr. Duff. He was a little bit peeved at me.

The CHAIRMAN. As I understand, he was representing that he had a majority of your employees signed up for you?

Mr. Duff. That is right, sir.

The CHAIRMAN. And when you examined the cards, when he presented them and they were examined, it was found that none of the men had ever been employed by you?

Mr. Duff. That is right, sir.

The CHAIRMAN. And that the cards were signed prior to the time the building was constructed?

Mr. Duff. That is correct.

The CHAIRMAN. And he was undertaking by that fraud to compel you to place your men in a union?

Mr. Duff. That is right, sir.

The CHAIRMAN. That is Bufalino that is the head of this 985 local? Mr. Duff. That is right, Mr. Bufalino. I so stated at that hearing, that I would have no part of any shakedown which they were

attempting to put on me with the type of thieves that I considered they were—

The CHAIRMAN. The type of thieves; is that what you said?

Mr. Duff. I used little stronger words than those, sir. The Chairman. You emphasized the thief part?

Mr. Duff. I did, sir. I felt that these were leeches living off the misery and whatnot of these people who were helpless. As far as I was concerned, they were just leeches, that is what they were. I so stated, that if they wanted the union and they would sign my men up and collect the dues themselves, I would live up to a union contract. Otherwise, I wanted no part of him or his union.

The CHAIRMAN. How long ago was that? Mr. Duff. I don't know the correct date.

The CHAIRMAN. What year? Mr. Duff. That was in 1957.

The CHAIRMAN. 1957?

Mr. Duff. Yes.

The CHAIRMAN. Some 2 years ago. All right.

Senator Curtis. These were the employees in your carwash establishment?

Mr. Duff. Yes, sir.

Senator Curtis. What union was it asking you to put them in the union?

Mr. Duff. I don't know the numbers. Mr. Bufalino's auto wash union.

Mr. Kennedy. 985.

Senator Curtis. What union? Mr. Kennedy. The Teamsters.

Mr. Duff. The Teamsters; yes.

Senator Curtis. Why do people who wash cars belong in the Teamsters Union?

Mr. Duff. Why do they?

Senator Curtis. Yes.

Mr. Duff. Well, it is a method the Teamsters have devised to shake down money from businessmen. That is all it is. We know that, and you know it.

Senator Curtis. The pressure was put on you as the employer?

Mr. Duff. That is correct. I feel further that unless legislation is made, you people here, instead of just listening, if legislation is not made to protect the small businessmen in even simple matters, that this thing will continue. It is a speed limit that has to be put on there somewhere.

Senator Curtis. I think what you say is very true. Congress is derelict in its duty if we do not curb some of these excess powers of blackmail picketing, secondary boycotting. This problem cannot be solved merely by internal cleanup within the unions.

Mr. Duff. No, sir, it can't be. There must be a speed limit set

somewhere.

One of the things that would help the small businessmen get this shakedown off their back, would be the picketing. They go down and get pickets off the streets, and so forth, and pay them \$5, and put them picketing your place of business.

Senator Curtis. And they do not represent anybody working there

who has a grievance.

Mr. Duff. That is a standard weapon. I think legislation should be made from the smallest to the biggest, that only people who can picket or who would be allowed to be in front of the place of business are interested working people from that place of business itself.

Senator Curtis. I agree with you that if it is lawful for these Teamster outfits to picket somebody out of business, then we should

make it lawful for competitors to do the same thing.

Mr. Duff. That is correct. That is the biggest weapon.

Senator Curtis. That is, to cut off the supply of goods, block exits and all that sort of thing. I am glad to hear you say so. We have spent \$2 million of the taxpayers money exposing these things and the Congress knows about them. We need legislation and we need it now.

Mr. Duff. Sir, I feel like a great many do that hypocrisy used to be part of politics, and now it seems that they have to be a sanctimonious hypocrite, because everyone is so afraid of the union vote,

afraid to take action, they are afraid to move.

Why doesn't someone stand up and start to work on it? This thing being brought to the attention by these committees is fine, it should be brought to the attention. But they can't continue on forever. Why can't legislation be had? It takes action.

Senator Curtis. There are many people in the Congress who agree

with you, but not everybody.

Mr. Duff. Agreement isn't enough, sir.

Senator Curtis. I mean they are working for legislation.

Mr. Duff. They have to do something.

The CHAIRMAN. Proceed.

Mr. Kennedy. At the time that you had this conference with Mr. Bufalino, Mr. Hoffa was appearing before this committee; is that correct?

Mr. Duff. He was here in Washington at the time. Mr. Kennedy. And you brought attention to that?

Mr. Duff. I did.

Mr. Kennedy. About 30 days after this, the Board ruled against Bufalino and for you?

Mr. Duff. That is right.

Mr. Kennedy. Shortly after this time were you told by one of your fellow car washers that Mr. Bufalino, a Teamster official, had said that Mr. Bufalino was going to get you?

Mr. Duff. Yes, I was.

Mr. Kennedy. Would you relate what happened?

Mr. Duff. Well, I was in a competitor's carwash, and in a friendly manner he told me that I had talked too much at this hearing, and which I am probably doing now, and that I was going to be straightened out. Well, I disregarded it. I disregarded that at the time. Upon repeating that statement to the authorities after the explosion, this same individual called me up and denied it. That is the reason I am not bringing his name out now. He denied he had ever made that statement and did not want to be involved in it.

Mr. Kennedy. When you say "explosion," what happened?

Mr. Duff. Well, my place of business was bombed.

Mr. Kennedy. When did that happen?

Mr. Duff. That happened last April, a year ago.

Mr. Kennedy. How much longer after the meeting before the State mediation board where you received the decision that the decision was against Bufalino?

Mr. Duff. I would say somewhere in the neighborhood of 4 to 5 months, somewhere in that neighborhood. I am not clear on the dates. I don't have them before me, any of the dates.

Mr. Kennedy. What happened so far as the bombing of your

place?

Mr. Duff. Well, I was called up one morning, one Sunday morning, I believe, and the police came over and told me there had been an

explosion in my place.

When I got there, I had been bombed. At the time, we didn't know whether it was a bombing or a gas explosion. But as it turned out, it was a bombing. The place was just about completely destroyed. The equipment in the place was destroyed.

Mr. Kennedy. Did they ever find out who was responsible?

Mr. Duff. No, sir. They never have. There are 11 other unsolved bombings in that area.

Mr. Kennedy. How many?

Mr. Duff. Eleven.

The Chairman. All growing out of labor disputes?

Mr. Duff. Everyone has been found to be a labor dispute, yes. The Chairman. In other words, they followed a labor dispute?

Mr. Duff. They followed a labor dispute.

The Chairman. That is a pretty clear pattern, is it?
Mr. Duff. It is in my mind, sir. I don't know in whose else.

The Chairman. Well, you are one of the victims, you have experienced it?

Mr. Duff. Yes, sir.

The CHAIRMAN. And you have observed about the same pattern in this connection with other bombings where there has been a labor dispute?

Mr. Duff. That is right.

Senator Curtis. Would you describe the dynamiting? What took

place? Describe the bombing.

Mr. Duff. I don't know. The charge was apparently set in the middle of the building, thrown through a window, and it exploded and blew out all the glass in the building, and one piece of equipment in the rear in a separate room wasn't destroyed. It happened to be a steam generator. All of the rest of the equipment was destroyed from the cashier's cage to the cash register to the automatic equipment. Everything in the place.

Senator Curtis. Was it done at night?

Mr. Duff. It was done at night. Possibly 3 o'clock in the morning.

Senator Curtis. No one was in the building?

Mr. Duff. No one was in the building.

Senator Curtis. They would have been killed possibly.

Mr. Duff. They would have been; yes, sir.

Senator Curtis. Was there a watchman around?

Mr. Duff. I had a man I more or less encouraged to be a watchman. I had fixed him a place to stay and he would stay approximately 5 nights a week. He didn't stay all the time. He didn't set a pattern. He could have been in there very easily.

Senator Curris. It just happened that he was out of there?

Mr. Duff. It just happened.

Senator Curtis. What do you figure to be the amount of damage?

Mr. Duff. Well, my damage—

Senator Curtis. I am not talking about the loss of business, but I mean from the bomb.

Mr. Duff. \$12,000, I believe, was established for the building and, to me, around \$17,000 for my equipment, or somewhere in there.

Senator Curtis. Was there ever an arrest made?

Mr. Duff. No arrest whatsoever, sir.

Senator Curtis. You, in your own mind, feel or know that the bombing was a direct result of your failure to yield to the union?

Mr. Duff. I do, sir.

Senator Curtis. That is all.

Mr. Kennedy. Did you have insurance covering it?

Mr. Duff. I didn't have enough. I had \$5,000 worth of insurance; \$5,500 is all I had.

Mr. Kennedy. So you had to take the rest of your loss yourself?

Mr. Duff. That is right, sir.

Mr. Kennedy. You lost \$10,000 from it?

Mr. Duff. That is right. A little over that.

Mr. Kennedy. That was your own personal loss?

Mr. Duff. That is right, sir.

Mr. Kennedy. But the insurance also covered some of the building?

Mr. Duff. I did not own the building. I leased the building.

Mr. Kennedy. The gentleman who owned the building—

Mr. Duff. He was covered completely.

Mr. Kennedy. That was about another \$15,000; is that right?

Mr. Duff. I think approximately \$12,000 to \$15,000, or in that neighborhood.

Mr. Kennedy. \$12,000.

Prior to that time, had you discovered two individuals that came

around to your place?

Mr. Duff. Yes. I would say approximately 3 weeks before that, Otis, who was my night watchman, had reported to me that he heard noises at the rear door. Thinking it was me, he walked back to the rear door to open it. Upon opening it from the inside, two men ran. He discovered the door had been jimmied, had jimmy marks on it, as the police call them, and reported it to the police the next morning. But we at that time assumed it was someone trying to break into the place and it scared them off. It scared him as bad as it did them, I guess.

Senator Curus. Before we leave this bombing, you have testified to the loss of physical property, but that also deprived you of your

livelihood, didn't it?

Mr. Duff. It did, sir, yes.

Senator Curtis. And it drove you out of business?

Mr. Duff. That is right, sir.

Senator Curtis. You were providing employment for how many people?

Mr. Duff. Fourteen, maximum.

Senator Curtis. So probably counting your own about 15 families were involved?

Mr. Duff. That is right, sir.

Senator Curtis. And that added very materially to your financial loss?

Mr. Duff. Well, it did, completely at that time.

Mr. Kennedy. And you were out of that business from then on?

Mr. Duff. That is right.

Mr. Kennedy. Did you have anything further about the situation that you wanted to state?

Mr. Duff. No. I believe I mentioned the point that I thought would help the small businessman, to take this big club away that the unions use for blackmailing and so on.

I think rather than just talking about it, some action should be done and right now, not just tomorrow or next week. I mean just starting

right now.

The Chairman. You have in mind what is known as organizational picketing!

Mr. Duff. Sir?

The Chairman. You have in mind what is known as organizational picketing or recognition picketing?

Mr. Duff. That is one of the answers.

The CHAIRMAN. Not where they go to picket just to get a payoff but where they go to picket to compel people to join the union or compel the employer to put his employees in the union.

Mr. Duff. Well, I believe years ago in Chicago they used to just

shoot them, but now they have this method. It is a little simpler.

The CHAIRMAN. Is there anything further?

Mr. Kennedy. That is all.

The Chairman. Thank you very much. I think you are to be highly commended for your courage to come up here and make your statements.

Call the next witness.

The Chair will have to admonish you. You are here as the guests of this committee and the Senate. These demonstrations will have to be restrained.

Call the next witness.

Mr. Kennedy. Mr. Nemesh.

The CHAIRMAN. Be sworn, please.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Nemesh. I do.

TESTIMONY OF JOSEPH NEMESH

The CHAIRMAN. State your name, your place of residence, and your

business or occupation, please.

Mr. Nemesh. Joseph Nemesh. I live at 21884 Avalon Drive, Rocky River, Ohio. I am president of Music Systems, distributors of Seeburg coin-operated phonographs.

The CHAIRMAN. Do you waive counsel?

Mr. Nemesh. I do.

The Chairman. All right, Mr. May, you may proceed.

Mr. May. Mr. Nemesh, you entered the jukebox business about 1930?

Mr. Nemesh. Yes, I did. I decided to go into the business of operating jukeboxes in the early 1930's.

Mr. May. That was in Cleveland? Mr. Nemesh. Cleveland, Ohio.

Mr. May. You operated a route at that time?

Mr. Nemesh. That is correct.

Mr. May. Did you later become a distributor for the Seeburg company?

Mr. NEMESH. Yes. I became a distributor for J. P. Seeburg Corp. out of Chicago in 1937.

Mr. May. What territory did you cover at that time?

Mr. Nemesh. First I covered the Greater Cleveland area, and then later on the northeastern Ohio area, and later on I was awarded the northwestern Ohio area for Seeburg under franchise.

Mr. May. In what year was that?

Mr. Nemesh. 1937.

Mr. May. Did you experience some difficulty in the Cleveland area

in selling your machines?

Mr. Nemesh. About 1939, the then Wurlitzer distributor, a man by the name of Leo J. Dixon, organized or had cause to organize a union. They had an association, a union, to restrain competition in the industry.

Mr. May. Which union was that? Mr. Nemesh. I beg your pardon?

Mr. May. Which union was involved?

Mr. Nemesh. First it was the Building Service Employees Union and then later they became affiliated with the IBEW.

Mr. May. Local 442?

Mr. Nemesh. I believe so.

Mr. May. Was Mr. Presser involved in that operation? Mr. Nemesh. Yes. Mr. Presser was the business agent.

Mr. May. And due to this union-association combination, you were unable to sell very many machines in the Cleveland area?

Mr. Nemesn. That is correct.

Mr. May. How did they prevent the sale of the machine?

Mr. Nemesh. Well, they would picket locations that—for example, those that didn't belong to the union they would picket their locations to coerce the operators to join the union, and after the union had signed the operators, whether they were self-employed or not, then it was sort of a closed territory for competition. You couldn't go into a location and compete even if you had a better piece of equipment, with the other man that was in there, because it was a union man. So if you were not union you couldn't go in there because he was union. If you were union, you weren't permitted because you are not permitted to take the brother union man's livelihood away, so to speak.

Mr. May. The operators using the union as an enforcement arm could maintain old and ancient machines on locations and were not

forced to buy new machines; is that correct?

Mr. Nemesh. That is correct.

Mr. May. Did you also experience difficulties in Youngstown, Ohio? Mr. Nemesh. Well, not until later. That was a later date than 1939.

Mr. May. What happened then?

Mr. Nemesh. Well, of course, we didn't have any real difficulty except that we did the best we could under the circumstances in the other areas. However, for a while, Youngstown was organized with the union and then during the war it kind of disintegrated and after the postwar period they had sort of a local union situation. We sold our equipment. Of course, during the war there wasn't any equipment to be sold. I was in the tool manufacturing business during those years.

Later, in 1946, the postwar period, I got back into distributing the Seeburg line of jukeboxes and accessory equipment. Then along about 1949 the J. P. Seeburg Corp. introduced a new concept in music. I mean by that 100 selections, where they could play classical and semiclassical and also popular music on this new machine which you

couldn't do on all the other machines.

Mr. May. Were you then searching for a person to handle your

product in the Youngstown area?

Mr. Nemesh. We had been quite successful in 1949 in marketing our equipment in all areas in Ohio with the exception of Youngstown. In 1950, because we couldn't get any representation there because of the operator's boycott on our equipment, we decided to take our case directly to the location owner, which we did.

As a result of that, we were able to place about 15 machines. After doing that we searched around to find someone to buy this route because the present operators at the time were fearful of buying the equipment because they didn't want to expose the equipment to their other location owners for fear that they may have to buy some new

phonographs and make more money.

Mr. May. Were you able to find a gentleman who was interested?

Mr. Nemesh. Yes. Our salesman, Mr. Smith, found a man by the name of Kisan, who was a bar owner, and he decided to go into this business, and he did, and we were ready to negotiate and complete the transaction when his bar was bombed, stink-bombed.

Later, right afterward, he was called and threatened on the telephone. In addition to that, he took a severe beating in one of his locations that called for service, I believe it was a ruse—anyway, that is the way the story was related to me. When he went outside, after he had finished the call and found out it was just a nuisance call, they got him outside of the tavern and beat him up pretty severely.

Mr. May, Did he lose interest in the operation?

Mr. Nemesh. I beg your pardon? Mr. May. Did he lose interest?

Mr. Nemesh. Immediately. He cooled. Mr. May. Did you look for another person?

Mr. Nemesh. We looked for another person there in Youngstown area. He was interested, a man by the name of Mr. Joseph Abraham. He looked over the route, and we agreed on the regular price of the machines, not charging anything for goodwill because we didn't feel we had any. We just wanted to sell our machines and create a market there. During this time, while it was a regular conversation that he was going to take over this route, his garage suddenly burnt down, a three- or four-car garage where he kept his equipment.

Shortly after that——

Mr. May. Did anything else happen to him? Was his house blown

Mr. Nemesh. This house where he had his offices, that was stink-bombed and the windows broken.

Mr. May. Did he then lose interest in handling your product?

Mr. Nemesh. He immediately lost interest also. Mr. May. Were you able to find somebody else?

Mr. Nemesh. Our salesman finally found a man by the name of Emanuel Amato. He was looking for a bar to go into business for himself. Finally we interested him in the idea of buying this route

of phonographs in Youngstown, Ohio.

In the meantime, while we were having all of this difficulty, prior to this we had had the locations picketed when the second fellow's ardor cooled, and we took the union to court and obtained an injunction against them for picketing. They were going to push us out of Youngstown.

Mr. May, As I understand, the union appealed the injunction. Mr. Nemesh. The union immediately appealed the injunction.

Mr. May. And while that appeal was pending—

Mr. Nemesh. We found Mr. Amato. We apprised Mr. Amato of the situation, that he would buy it subject to this appeal. If the union won the appeal, then his locations would be subject to picketing.

Mr. May. He felt that he could handle union trouble?

Mr. Nemesh. That is correct. He wasn't too concerned about it at the time.

Mr. May. I understand that the union did win the appeal.

Mr. Nemesh. Yes. It was a three-judge traveling court and one of the judges was from Newark, Ohio, the former home of Mr. Green.

Mr. May. Did the union cause Mr. Amato some difficulty then? Mr. Nemesh. Yes. They did some picketing and they were going to continue the picketing. He tried to stop it and finally he called for help and he brought his father-in-law into the business.

Mr. May. Who is Mr. Amato's father-in-law?

Mr. Nemesh. Mr. Frank Cammarata.

Mr. May, Was Mr. Frank Cammarata successful in solving the

problem?

Mr. Nemesh. No, he wasn't. He tried and he wasn't successful. As a result, it was for Mr. Amato to either sell those locations back to the original members or they would continue the picketing.

Mr. May. Did the police department take an active interest in the

situation when Mr. Amato came into town?

Mr. Nemesh. Yes. They began to harass our salesmen and arrest

Mr. Amato and Mr. Cammarata.

Mr. May. Mr. Frank Cammarata is a notorious gangster who voluntarily deported himself after appearing before this committee some time last fall. There came a point in your operation, Mr. Nemesh, when you extended your jurisdiction to Detroit?

Mr. Nemesh. Yes. Because of our success with this new phonograph, we were awarded the Michigan territory, which is known as the Lower Peninsula of Michigan. That encompasses Detroit and all

the other cities in the Michigan area.

Mr. May. Did you encounter similar difficulty in the Detroit area? Mr. Nemesh. Yes, we did. In 1950 we encountered quite a bit of difficulty because we went in there with the contracts and the operators could see the point and the location owners were happy. After all, the public pays for this equipment, the operators never pay for it. They buy it for a downpayment, mostly no downpayment, and it is financed over long terms. The public, after all, endorses it; so the location owners wanted it.

When we placed the phonographs, we started to have a lot of

dıfficulty.

Mr. May. What sort of difficulty?

Mr. Nemesii. Well, our sales manager at the time was getting threats. The people that were buying our equipment were threatened.

Mr. May. From whom?

Mr. Nemesh. Well, the unions, I would say.

Mr. May. Which union?

Mr. Nemesh. Well, the local jukebox union. I believe at the time it was Mr. Bufalino, or he still is, the head of that union.

Mr. May. Local 985?

Mr. Nemesii. That is correct.

Mr. May. What sort of actions did they have?

Mr. Nemesii. Well, they harassed the locations where these Seeburgs were placed, mostly, and tried to unsell them on the idea of having a Seeburg, and tried to get the man that was in there formerly with his other phonograph. Just everything that they could do to harass the location and not permit us free access to that market.

Mr. May. Why would the Teamsters Union harass locations han-

dling the Seeburg machine?

Mr. Nemesh. Well, there is an interest. Mr. Bufalino's brother-in-law—it is common gossip, I have no proof of this, but it has been common gossip—has an interest in the Wurlitzer distributorship there because of the fact that prior to this man coming in as a distributor, Mr. Bufalino and Mr. Meli were the Wurlitzer distributors.

Mr. May. Did this harassment continue? Was your place of busi-

ness damaged in any way?

Mr. Nemesh. Yes. Our windows were broken. The police department has all the records. Our windows were broken and our showrooms were stink-bombed. Our sales manager's life was threatened. For a time there he had to have police escort.

Mr. May. In order to combat evident union-association combina-

tions, did you, yourself, search to create another union?

Mr. Nemesii. Well, sir, here is what I did. The operators came to me with the thought that they were getting nowhere, they couldn't get any protection from this union as far as the independent operators were concerned. They came to me for advice and I thought that they ought to have their own union. After all, there was nothing wrong with having your own union if you can't get any backing from the local union.

So we looked around for some sort of an organizer. I happened to be reading the papers a number of years prior to that that a Mr. Edward Duck had created quite a disturbance at Galion, Ohio, at the North Electric Co. He was from Toledo, a UAW-CIO organizer. Being in the Cleveland market, I looked up Mr. Duck. At the time, Mr. Duck had not been with the CIO for some time. He was selling the Encyclopedia Americana.

So I promptly became a proud owner of the Encyclopedia Amer-

icana and our association began.

I put Mr. Duck in touch with the Detroit operators. Several of the operators I remember as Mr. Patterson, Mr. Berman, and others. They started to form a separate, independent union and draw up a charter and go through all the routine, because the feeling was that they had to have some respite from this constant harassment.

Mr. May. The purpose of such a formation of a union was to combat the hold that local 985 and the association had on the Detroit area?

Mr. Nemesii. That is right. We felt by harassing the union back we would give them a little bit of their own medicine.

Mr. May. Did you finance Mr. Duck in any fashion?

Mr. Nemesh. I did at certain times when he ran short of funds and the operators didn't give him as much as he thought he ought to have for living expenses and general expenses.

Mr. May. Did you furnish some office equipment?

Mr. Nemesh. Yes, I did. I had some used office equipment and I furnished that to him so he could set up his office and see what he could do.

Mr. May. You had a strong desire that Mr. Duck be quite successful in this operation?

Mr. Nemesh. Of course I did.

Mr. May. Washe?

Mr. Nemesh. No. He was for a little while and then, of course, I didn't know it but Mr. Duck was an alcoholic and he would take the bottle too literally and too often. Therefore, that collapsed and we weren't successful.

Mr. May. Mr. Chairman, we had testimony from August Scholle, who at that time was head of the CIO in the State of Michigan. He Stated that Mr. Duck had approached him prior to this occasion and attempted to get a CIO charter which would embrace Detroit, Toledo, and the northern Ohio area, and he was turned down by the CIO.

Mr. Nemesii. That is right.

Mr. May. Mr. Duck then formed this independent union?

Mr. Nemesu. He attempted to affiliate himself with the CIO-UAW. Mr. May. But he did form an independent union and was unsuccessful?

Mr. Nemesh. Yes.

Mr. May. While you were having difficulty with local 985 did you meet on some occasion with Mr. Cammarata, Mr. Vincent Meli, and Mr. William Bufalino?

Mr. Nemesh. Are you referring the incident about the phonograph

that was hijacked?

Mr. May. Yes, sir.

Mr. Nemesh. We were having a lot of great difficulty and all this harassment. We felt sometime—you know, some days you get a break if you just look long enough. It so happens that one of the local operators whom we had sold to had a phonograph picked up. It turned out that the man that picked up that phonograph was a man that was working for Mr. Meli, a bartender or something. Naturally, Mr. Meli was concerned. He wanted to make restitution if the operator whose box was picked up by a truck wouldn't prosecute. I was in Detroit one day and Mr. Meli and Mr. Cammarata came in. I was a little surprised. We had a conversation that took place. Mr. Bufalino also came in later.

Mr. May. Mr. William Bufalino?

Mr. Nemesh. That is right.

Mr. May. Of the Teamsters Union?

Mr. Nemesh. Yes. They wanted to make amends. Mr. Cammarata said that we were nice people and they were nice people and everything would be forgotten, and everything would be just rosy from then on in.

Mr. May. What did Mr. Bufalino say on that occasion?

Mr. Nemesh. He didn't have too much to say. He just felt that we could get along now and there wouldn't be that constant harassment.

Mr. May. Did Mr. Bufalino suggest that your company join his

union?

Mr. Nemesh. At a later date that came about. Mr. May. He didn't suggest it at this meeting?

Mr. Nemesh. No. You see, we were distributors and they had

mostly an operators union that was set up for operators.

Mr. May. Did Mr. Cammarata serve as a mediator in this dispute? Mr. Nemesh. Well, I don't know that he was a mediator. He was in Detroit, maybe, and maybe he was called into it, knowing that we had had some business relationship with his son-in-law. I had met him before. I just assumed that he felt it would be a good medium to have to intercede.

Mr. May. His function was sort of like a mediator?

Mr. Nemesh. Yes.

Mr. May. What was Mr. Bufalino doing there? Why was Mr. Bufalino present?

Mr. Nemesh. Well, Mr. Bufalino is a brother-in-law of Mr. Meli. Mr. May. Did Mr. Bufalino have an interest in Mr. Meli's business?

Mr. Nemesh. That I don't know, sir, except that I know of that relationship that I related before with Mr. Meli and the general conversation around Detroit that there is an interest in the Wurlitzer distributorship.

Mr. May. Do you recall anything that Mr. Bufalino said that day? Mr. Nemesh. Not specifically, sir. It has been quite a few years ago.

Mr. May. After this occasion, you had some temporary peace?

Mr. Nemesii. Well, yes, for a time. But it still continues on the basis that all the favoritism is still shown to our competitor, the Wurlitzer distributor. Operators are told if they want to jump a location or compete with somebody else, if they use Wurlitzer equipment they are given a pass, so to speak.

Mr. May. Does that exist today, that situation?

Mr. Nemesh. That is correct.

Mr. May. After this meeting with Mr. Cammarata, Mr. Meli, and Mr. Bufalino, and the following temporary peace, there came an occasion when you were again harassed? You eventually signed with the union?

Mr. Nemesh. Yes, we signed a contract with the union. We had worked one out that we felt was equitable to our type of business, because we were running a training program to train these men. After all, our equipment is quite complex. We felt by training our men and having these men available as a training ground for our customers, the industry would be better served.

Mr. May. I don't understand why you signed the contract with

the union, Mr. Nemesh.

Mr. Nemesii. Well, because they had already gone to the men and had signed up the men prior to that.

Mr. May. Your employees wanted to join the union?

Mr. Nemesh. No; I don't think they wanted to, but they were talked into it, because everybody else was going to be in the union, and our competitor was, I believe, giving the union a headache because we weren't in.

They were operating phonographs and we were not operating phonographs. We were strictly distributing, not competing with our

customers.

Mr. May. At this time you were distributors? Mr. Nemesh. We were distributors right along.

Mr. May. And the contract that you signed was a contract which involved operators; in that true?

Mr. Nemesii. Yes; it was an operator's contract.

Mr. May. Have your machines in the Detroit area recently been damaged?

Mr. Nemesii. Some of the operators have had their machines dam-

aged by liquid solder, several of the operators.

Mr. May. You are able to sell some machines in the Detroit area today, though?

Mr. Nemesii. Well, we are able to sell some; that is correct.

Mr. May. You are still having some trouble?

Mr. Nemesh. Yes. We are having difficulties in marketing our equipment freely, without interference from the union and their business agents.

The CHAIRMAN. Why did they give you trouble, this union, and not the others in the same business? You are a member of the union,

aren ı you:

Mr. Nemesii. That is true. But there is still that relationship and that friendship that exists between the brother-in-law of Mr. Bufalino

and the Wurlitzer distributor. I can't prove that he has an interest. It is just sort of general knowledge. I think that is one of the underlying factors.

The Chairman. At least he is favoring his brother-in-law to the extent that you say Bufalino is giving you trouble, although you are

a member of the union.

Mr. Nemesh. That is right.

The CHAIRMAN. And he makes it difficult for you to make sales, whereas, he undertakes to make it easier for his brother-in-law to make sales?

Mr. Nemesh. That is right.

The CHAIRMAN. You are all members of the same union?

Mr. Nemesh. That is right.

The Chairman. You cannot account for it except for the marriage relationship?

Mr. Nemesh. That is correct.

Senator Curtis. What is the purpose of the union?

Mr. Nemesh. The purpose of the union?

Senator Curtis. As it relates to this business of yours.

Mr. Nemesh. Well, as far as we are concerned, we were paying as well prior to the time of our men joining the union as we are today.

Senator Curtis. It had nothing to do with improving the wages, hours, and working conditions of your employees, did it?

Mr. Nemesh. I don't think so, sir.

Senator Curtis. It was a matter of financial control of the business?

Mr. Nemesh. That is right.

Senator Curtis. And the union idea is being used for that purpose?

Mr. Nemesh. Surely.

Senator Curtis. Do you think that union is a labor organization, as

defined by law?

Mr. Nemesh. Well, I don't see how it can be; self-employed people in that business, I don't see why they should have to belong to a union and pay \$20 a month dues.

Senator Curtis. It doesn't sound to me like a union, but it sounds

like a conspiracy.

Mr. Nemesh. I would say so, sir.

Mr. May. We discussed the situation where your display window was broken by a metal bolt. On that occasion was the individual that

caused the damage identified?

Mr. Nemesh. Yes; that man was identified by one of our salesmen at the time. That was about the same time that this phonograph was picked up by that man that was driving that truck. It was either before or after. I am not quite sure now.

Mr. May. Was that Mr. Cecil Watts, business agent of local 337

of the Teamsters? Mr. Nemesh. Yes.

Mr. May. He was identified by your employee, George Kelly?

Mr. Nemesh. Right.

Mr. May. That is all, Mr. Chairman.

The Chairman. Is there anything further?

If not, thank you very much.

Call the next witness.

Mr. Kennedy. Mr. Chairman, we have had the testimony before the committee that a number of business agents of the Teamsters have gone into the coin-machine business. In that connection, I would like to call Mr. Morris Coleman as the first of several business agents that we understand had some interest in this.

The Chairman. Do you solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth,

and nothing but the truth, so help you God?

Mr. COLEMAN. I do.

TESTIMONY OF MORRIS COLEMAN, ACCOMPANIED BY COUNSEL, H. CLIFFORD ALLDER

The CHAIRMAN. State your name, your place of business, and your residence.

Mr. Coleman, Morris Coleman, 24330 Dante, Oak Park, Mich.

The CHAIRMAN. What is your business or occupation, Mr. Coleman? Mr. Coleman. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The CHARMAN. Are you a member of a union?

Mr. Coleman. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The Chairman. Do you have counsel present?

Mr. Coleman, I do.

The CHAIRMAN. Identify yourself, Counsel.

Mr. Allder, H. Clifford Allder, Washington, D.C.

The CHAIRMAN. Do you know what I think about a fellow who is a member of the union who takes the fifth amendment and says that he honestly believes a truthful answer to that question might incriminate him? I think he is telling a falsehood. I think everybody else in here is thinking the same thing.

Proceed, Mr. Kennedy.

Mr. Kennedy. Mr. Coleman, you came originally from Joliet, Ill., and you were born September 24, 1914; is that right?

Mr. Coleman. Yes.

Mr. Kennedy. When did you leave Joliet?

Mr. Coleman. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

Senator Curtis. Are you referring to Joliet Penitentiary, Mr.

Counsel, or the city of Joliet?

Mr. Kennedy. The city of Joliet.

Senator Curris. How would it incriminate you to leave a fine city like Joliet, Ill.?

Mr. Coleman. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. Mr. Coleman is presently a business agent for Local 337 of the Teamsters, which is the Teamster local that is run by Owen Bert Brennan, who is now a vice president of the Teamsters.

According to the information that Mr. Coleman gave a member of our staff, he was hired by Jimmy Hoffa in about 1940 or 1941 to

represent the Teamsters joint council in Detroit.

Is that correct, Mr. Coleman?

Mr. Coleman. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The CHAIRMAN. Is that because the question involves the name

of James Hoffa?

Mr. Coleman. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The Chairman. All right; proceed.

Mr. Kennedy. Mr. Coleman has been arrested a number of times. and was convicted twice, in 1945 and 1944.

Is that correct?

Mr. Coleman. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The CHAIRMAN. What was he convicted for, Mr. Counsel?

Mr. Kennedy. While he was a business agent for the joint council. he was convicted for receiving stolen property and sentenced to pay a \$300 fine. Then in 1946 he was indicted for extortion. He was sentenced to pay a \$500 fine and put on 2 years' probation.

Is that correct?

Mr. Coleman. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

Mr. Kennedy. I don't see how that could incriminate you, if you

have already served your sentence after having been convicted.

I don't see how, Mr. Chairman, that could tend to incriminate him.

The Chairman. There is a statement here made by counsel to the effect that you have been convicted and sentenced according to what he has said, that might sound a bit incriminating unless you deny it.

Do you want to deny that what he said is true?

Mr. Coleman. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The CHAIRMAN. Well, if you won't deny it, I will have to believe it.

Proceed.

Mr. Kennedy. He continued to hold his union position despite those two convictions, Mr. Chairman.

He also had some outside interest. He was a partner of the Hotka Trucking Co. for 1952, 1953, 1954.

Is that correct !

Mr. Coleman. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. It was not a profitable operation and was given up in 1954. He was also an equal partner with John Hotka in a company called the Bruce Coffee Vending Co.

Is that right, Mr. Coleman?

Mr. Coleman. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. The operation started in January 1955 and operates about 125 coin operated vending machines, dispensing coffee, soup, ice cream.

Is that right?

Mr. Coleman. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The Chairman. Is there anything about the coffee or the soft drinks or the soup or the milk or the ice cream that would incriminate you?

Mr. Coleman. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

Mr. Kennedy. In 1956 the gross receipts were \$48,000-plus. A net income was \$8,000-plus. In 1955 the net income was just under \$7,000.

Is that correct?

Mr. Coleman. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. And also a third interest was held by his wife, another interest, Mr. Chairman, that he had, in the Bruce Vending Co., held in the name of his wife as sole owner of the company, operating 175 cigarette vending machines.

Is that correct?

Mr. Coleman. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. He solicits and obtains locations and works on the books of accounts and repairs the machines.

Is that right?

Mr. Coleman. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. Mr. Chairman, could I call Mr. Kaplan to ask him what the gross receipts of that company have been?

The CHAIRMAN. Yes, sir.

TESTIMONY OF ARTHUR G. KAPLAN-Resumed

Mr. Kennedy. Round off the gross receipts of 1953.

Mr. Kaplan. From an examination of the books and records of the company, we found that the gross receipts of the company in 1953 were almost \$11,000.

Mr. Kennedy. 1954?

Mr. Kaplan. \$61,000

Mr. Kennedy. 1955?

Mr. Kaplan. \$130,000. Mr. Kennedy. And 1956?

Mr. Kaplan. \$158,000.

The CHAIRMAN. What company is that? Mr. Kennedy. The Bruce Vending Co.

We have also found him in the John Hotka Trucking Co.

Mr. Kaplan. Yes, sir.

Mr. Kennedy. And the Bruce Coffee Vending Co. as a partner with John Hotka?

Mr. Kaplan. Yes, sir.

Mr. Kennedy, My statements in connection with that have been verified by the records?

Mr. Kaplan. An examination of the records and license records

and accounting records.

Mr. Kennedy. Mr. Coleman represents the drivers of the Peter P. Ellis Trucking Co.?

Mr. Kaplan. Yes, sir.

Mr. Kennedy. Isn't it correct that we also found that he stores his vending machines in the Peter P. Ellis warehouse?

Mr. Kaplan. Yes, sir.

Mr. Kennedy. And he has his machines sent to the Peter P. Ellis Trucking Co. to store his machines?

Mr. Kaplan. Yes, sir.

Mr. Kennedy. And he represents those drivers?

Mr. Kaplan. Yes, sir.

Mr. Kennedy. And he also stated to an investigator that Mr. Hoffa was well aware of the fact that he had an interest in these companies?

Mr. Kaplan. Yes, sir.

Mr. Kennedy. Is that correct, Mr. Coleman?

Mr. Coleman. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The CHAIRMAN. Mr. Kaplan, did you interview Mr. Coleman?

Mr. Kaplan. Yes, sir; I did.

The CHAIRMAN. You may then testify to any statement that Mr.

Coleman made to you at the time you interviewed him.

Mr. Kennedy. Mr. Chairman, we have a rather important matter in connection with Mr. Coleman, in connection with which I would like to call a witness, if I may.

The Chairman. All right. Mr. Kennedy. Mr. Salinger.

Mr. Chairman, we found Mr. Coleman in the coin machine business and in the trucking business. We have also gone into another facet of Mr. Coleman's activities which shows again a pattern for the Teamster business agent operations in the city of Detroit.

Senator Curtis. Is Mr. Coleman still an employee of the Teamsters

nion?

Mr. Kennedy. Yes. He is a business agent with local 337.

Senator Curris. And he was during all of this period we are

talking about ?

Mr. Kennedy. Yes. He had the two convictions and all of these outside interests. And he works for local 337, which is headed by Owen Bert Brennan, the vice president of the Teamsters.

Do you want to swear Mr. Salinger?

The CHAIRMAN. Do you solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Salinger. I do.

TESTIMONY OF PIERRE E. G. SALINGER-Resumed

The Chairman. State your name.

Mr. Salinger. My name is Pierre Salinger. I reside in Washington, D.C., and I am an investigator for this committee.

The Chairman. Proceed.

Mr. Kennedy. Mr. Salinger, you have made a study and investigation of the linen industry in the city of Detroit?

Mr. Salinger. I have, sir.

Mr. Kennedy. Have we found, as we found in the laundry industry in the city of Detroit, that certain business agents of the Teamsters, or representatives of the Teamsters, have worked in the interest of one or more companies?

Mr. Salinger. We have, sir.

Mr. Kennedy. And have used their union position to further the interests of a company?

Mr. Salinger. We have, sir.

Mr. Kennedy. And have we found that Mr. Coleman specifically has worked for a particular company in the city of Detroit?

Mr. Salinger. We have, sir.

Mr. Kennedy. Would you relate to the committee what we have

found and what documents we have in connection with it?

Mr. Salinger. First, sir, to give a little background on this, there is a large drug chain in the city of Detroit called the Kinsel Drug Stores. In early 1954 a building was purchased in Detroit which housed one of these Kinsel Drug Stores. It was purchased by a gentleman named Mr. Nick Genematas. Mr. Genematas is also the president of the Marathon Linen Service Co. in Detroit.

After purchasing this building which housed this Kinsel Drug Store, he then attempted to get the account of the Kinsel Drug Stores and was successful in getting the account for this one drugstore which was

located in the building he then owned.

Subsequently he was able to negotiate a contract with the Kinsel Drug Stores for a 2-year period, covering all 23 of the Kinsel Drug Stores in the city of Detroit.

Mr. Kennedy. What was he going to do for them?

Mr. Salinger. As a condition of getting this contract, the Marathon Linen Co. agreed to give the Kinsel drug chain a 5 percent cut in the prices they had to pay over those the supplier had at that time, the Progressive Linen Co.

Mr. Kennedy. The companies we will be talking about, then, today,

are the Marathon and the Progressive?

Mr. Salinger. That is correct, sir.

In addition, they also agreed, which was a side thing, but which was important as far as the Kinsel Drug Stores were concerned, they

agreed to deliver the linens in individually wrapped packages.

I might explain that the Progressive Linen Co. was a member of the association in Detroit, which at that time was called the Michigan Linen Board of Trade and then became known as the Michigan Linen Service Institute. This is an association made up of linen suppliers in the city. On the other hand, the Marathon Linen Co. was not a member of the association. They operated outside of the association as an independent.

Mr. Kennedy. We made an investigation of this association, did we

not?

Mr. Salinger. We did, sir.

Mr. Kennedy. And subsequent to our investigation and the report that you made back to the committee, not in public session, but the report which has been mailed to members of the committee, that association has gone out of existence?

Mr. Salinger. The association has gone out of business.

Soon after the contract was signed——

Mr. Kennedy. On the association, who was the head of the association?

Mr. Salinger. The head of the association was Mr. Monroe Lake.

Mr. Kennedy. How long had he been head of the association? Mr. Salinger. He had been head of the association since approximately 1950 or 1951.

Mr. Kennedy. By whom was he placed as head of the association? Mr. Salinger. From my conversation with members of the linen

industry in Detroit, I was told that he had been placed there at the suggestion of Mr. James Hoffa.

Mr. Kennedy. Was he also an associate of Mr. Fitzgerald?

Mr. Salinger. He had operated out of Mr. Fitzgerald's office for a period of time on a project that he was interested in at that time.

Soon after the contract was signed—it was signed on August 1, 1954; I have here a copy of the contract—soon after the contract was signed, the president of the Kinsel drug chain, Mr. William Downey, made a vacation trip to Montana, and while he was away to visit was paid to his office by Mr. Morris Coleman.

I think maybe at this time, Mr. Kennedy, it might be good to read

Mr. Downey's affidavit into the record in regard to this matter.

Mr. Kennedy. We have an affidavit from this individual who is of some importance, Mr. Chairman. He has been in ill health, however. We felt that we could get the necessary information into the record through the affidavit.

The Chairman. The affidavit may be printed in the record in full

at this point. You may read the substance of it.

Mr. Salinger. This is the affidavit of William D. Downey, who resides at 207 Abbey Road, Birmingham, Mich., and identifies himself as the president of the Kinsel Drug Co., a chain which operates some 23 drugstores throughout the Detroit area.

For the last 10 years, the Kinsel Drug Co. has been obtaining its linen supplies from the Progressive Linen Co. Some time in 1954 Kinsel's acquired an independent drug company which was located in a building owned by Mr. Nick Genematas. Mr. Genematas is the proprietor of the Marathon-Bryant Linen Supply Co. The Marathon Linen Co. had been supplying the service to this independent drug company and, following our acquisition of the store, they continued to service it. Mr. Genematas sought to take over the service at the remainder of the Kinsel Drug Stores in the Detroit metropolitan area.

Some time in July of 1954 they made an attractive proposal to us which included an overall 5 percent price reduction plus the delivery of the linens in individually wrapped packages. As a result of this offer, we signed a contract

with Marathon Linen for a 2-year period.

Following the signing of this contract, I took a vacation trip to Montana. In my absence, a call was made to my office by Mr. Morris Coleman, a business agent for local 337 of the Teamsters Union. Kinsel's has union contracts with three unions, one of which is local 337 of the Teamsters, the others being the Hotel and Restaurant Workers Union and the Retail Clerks Union, local 876.

Upon my return to Detroit, Mr. Coleman came to see me and told me that he wanted to have Kinsel's return the linen service to Progressive Linen. Mr. Coleman stated that he did not want to see a price war start in the linen industry in Detroit, because it would adversely affect the wages of the laundry drivers who were members of the Teamsters Union.

Mr. Kennedy. So this witness, a representative of the Teamsters Union, went to this company and told them they should not make a contract with the Marathon Linen Co. and should, in turn, give their business back to the Progressive?

Mr. Salinger. That is correct. The reason he gave was that he didn't want the price war to start, but we will go into that matter.

Mr. Kennedy. And this company had contracts with the Teamsters Union?

Mr. Salinger. That is correct. They had contracts with local 337, and Mr. Coleman was the business agent and represented the Teamsters at the Kinsel drugstores. He was their active business agent.

Mr. Kennedy. As well as local 876 of the Retail Clerks, which at

that time was a captive local of the Teamsters?

Mr. Salinger. That is correct.

I told Mr. Coleman that we had receive a price differential which was attractive to the company and Mr. Coleman said they were not going to allow this. Following Mr. Coleman's visit, I talked to the Marathon Linen Co. and was told that the price cut would in no way be reflected in the drivers' earnings at Marathon.

Mr. Coleman paid a second visit to me, this time in the company of Alex Nichamin, who is one of the owners of Progressive Linen. At this meeting, Mr. Coleman was adamant that we give the business back to Progressive. His state-

ments to me were more than a request.

Following this visit, I received a telephone call from Mr. Joseph Maiullo, who is the attorney for the Marathon-Bryant Linen Co. I told Mr. Maiullo about Mr. Coleman's request that we give the service back to Progressive and he told me that he could straighten the whole problem out. He called me back later and told me that he had talked to Mr. James Hoffa of the Teamsters Union and that the whole matter had been straightened out.

Following this, however, I received another visit from Mr. Coleman, who insisted that we return to Progressive. Mr. Coleman said that Marathon was not in the linen association and the association did not want its members losing

business to nonmembers.

Following this visit, I discussed the entire matter with my attorney, Mr. Glen R. Miller, who advised me that in the interests of continuing good relations with the Teamsters Union, we should give the business back to Progressive. Accordingly, we canceled the Marathon contract at all but the original drugstore which was in the building owned by Mr. Nick Genematas.

Mr. Kennedy. Who got the contract then? Mr. Salinger. Progressive got it back and still has it. (The full affidavit referred to follows:)

AFFIDAVIT

July 17, 1958.

STATE OF MICHIGAN, County of Wayne, 88:

I, William D. Downey, who resides at 207 Abbey Road, Birmingham, Mich., make the following voluntary statement to Pierre Salinger, who has identified himself to me as an investigator for the Senate Select Committee on Improper Activities in the Labor or Management Field. This affidavit is not the result of either threat or promise and is made with the understanding that it may be read at a public session of the Senate Select Committee on Improper Activities in the Labor or Management Field.

I am the president of the Kinsel Drug Co., Detroit, Mich., a chain which operates some 23 drugstores throughout the Detroit area. I have served as president of this company since March 1958 and, prior to that, I was vice president and have been associated with the management of Kinsel Drug Stores

since 1935.

For the last 10 years, the Kinsel Drug Co. has been obtaining its linen supplies from the Progressive Linen Co. Sometime in 1954 Kinsel's acquired an independent drug company which was located in a building owned by Mr. Nick Genematas. Mr. Genematas is the proprietor of the Marathon-Bryant Linen Supply Co. The Marathon Linen Co. had been supplying the service to this independent drug company and, following our acquisition of the store, they continued to service it. Mr. Genematas sought to take over the service at the remainder of the Kinsel Drug Stores in the Detroit metropolitan area. Sometime in July of 1954 they made an attractive proposal to us which included an overall 5 percent price reduction plus the delivery of the linens in individually wrapped packages. As a result of this offer, we signed a contract with Marathon Linen for a 2-year period.

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price differential which was attractive to the company and Mr. Coleman said they were not going to allow this. Following Mr. Coleman's visit, I talked to the Marathon Linen Co. and was told that the price cut would in no way be reflected in the drivers' earnings at Marathon.

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I believe all the above statements to be the truth to the best of my knowledge.

WILLIAM D. DOWNEY.

DOROTHY KEMNITZ,

Notary Public in and for Wayne County, Michigan.

My commission expires August 19, 1961.

The Chairman. What was the intimation or threat that apparently caused them to give it back?

Mr. Salinger. I have some other documents here which bear directly on that, Senator. If I can go through these in chronoligeal order, I think it might give us a good picture on the situation.

The Chairman. All right. I didn't know what other documents

you had, but there is a connection?

Mr. Salinger. Yes, sir.

The CHAIRMAN. All right.

Mr. Salinger. Mr. Downey's affidavit states that Mr. Maiullo had gotten in touch with Mr. Hoffa and the whole matter had been straightened out. As a matter of fact, on Friday, August 6, 1954, a meeting was held in Mr. Hoffa's office at the Teamsters Union at which, among others, were present Mr. Hoffa, Mr. Bert Brennan, Mr. William Genematas, the son of the president, and Mr. Joe Maiulio, his attorney.

This is a memorandum of the meeting which was made by Mr. William Genematas right following the meeting, and was found in the files of the Marathon Linen Co. pursuant to a subpena we served

upon them.

Mr. Hoffa told Mr. Maiullo that his only interest was to see that his men did not suffer any pay cut.

That is the principal substance of this memorandum.

The CHAIRMAN. That memorandum may be made exhibit No. 83.

(Memorandum referred to was marked "Exhibit No. 83" for reference and will be found in the appendix on p. 17695.)

Mr. Salinger. If we can make the contract part of that also, sir, the 2-year contract signed between Marathon and the Kinsel Drug chain——

The CHAIRMAN. You have already testified about that?

Mr. Salinger. Yes, sir.

The CHAIRMAN. It will be made exhibit No. 83-A and the memorandum exhibit No. 82.

(Contract referred to was marked "Exhibit No. 83-A" for refer-

ence and may be found in the files of the select committee.)

Mr. Salinger. A further memorandum found in the files of the same company, dated August 19, 1954, reflects two conversations, one between Mr. William Genematas and Mr. Downey, who made the affidavit, and the other between Mr. George, who was the manager of the Marathon Linen Co., Mr. Genematas, and Mr. Morris Coleman.

In the first instance, Mr. Downey told Mr. Genematas that the rea-

son they had enlisted Mr. Coleman in this matter was because—

he had acted like a gentleman whenever Kinsel's had negotiated with him for drivers and warehousemen contracts. In fact, Mr. Coleman had gone out of his way to help Kinsel's in a difficult negotiation with a very radical agent of another local. Mr. Downey said he would like to return this favor if possible.

Further on in this memorandum it reflects the fact that Mr. George and Mr. Genematas went to visit Mr. Coleman, who told them that he had talked to no one about this but Mr. Monroe Lake, of the Michigan Linen Supply Board of Trade. Mr. Lake had been identified as the executive secretary of the association.

The CHAIRMAN. That may be made Exhibit No. 84.

(Memorandum referred to was marked "Exhibit No. 84" for refer-

ence and may be found in the files of the select committee.)

Mr. Salinger. Of the following two memorandums, one is a letter from Mr. Genematas to Mr. Maiullo, and the second is a letter from Mr. Mauillo to Mr. Hoffa, reflecting the fact that the Marathon Linen Co., in order to meet Mr. Hoffa's objections about the price cut, negotiated a new contract with the Kinsel Drug chain which called for the exact same price that Progressive had paid.

In other words, there was going to be no pay cut, so that no one could say that the drivers were going to get less money, because they were going to charge them exactly the same as the previous supplier had

charged.

As the letter to Mr. Hoffa points out, Mr. Maiullo writes:

I believe that the matter is now satisfactorily taken care of, and inasmuch as no member of any local in the joint council will suffer a reduction in wages because of the reduction in price, the union no longer has any interest in this matter and it will become a matter of exchange of business.

However, the record shows that the union continues to have an interest in it through Mr. Coleman, because on September 17, 1954, the Marathon Linen Service Co received a notice of cancellation from the Kinsel Drug chain.

The CHAIRMAN. Let's get those into the record. Do you have two

letters?

Mr. Salinger. Yes, sir.

The CHARMAN. The two letters may be made exhibits 85-A and

85-B, and the cancellation letter exhibit No. 85-C.

(Documents referred to were marked "Exhibits 85-A, 85-B, and 85-C" for reference and will be found in the Appendix on pp. 17696-17698.)

Mr. Salinger. Right after the cancellation, Mr. Maiullo again wrote a letter to Mr. Hoffa in which he stated the following, which I

think is significant in the question you asked a minute ago, Senator:

On September 21, 1954, my son Joe had a conference with Mr. Glen R. Miller, attorney for Kinsel's, with regard to the matter. Miller stated that Kinsel was reluctant to take the action it did, but was forced to, to avoid future union trouble. Miller further stated that Kinsel's relationship with Coleman had always been harmonious in the past and to insure future harmony he advised Kinsel's Mr. Bill Downey to accede to Coleman's demand that Kinsel again do business with Progressive Linen Co.

The Chairman. That letter may be made exhibit No. 85-D.

(Letter referred to was marked "Exhibit No. 85-D" for reference and will be found in the appendix on p. 17699.)

The Chairman. Do I understand that Mr. Coleman had an interest

in this Progressive Linen Co.?

Mr. Salinger. We have no indication that he had any interest in it. The implications of this correspondence and of the affidavit of Mr. Downey is that Mr. Coleman actively assisted the Progressive Linen Co., in getting the account of the Kinsel Drug Stores back from the Marathon Linen Co. and the further implication that he did so because the Marathon Linen Co. was outside of the association and the Progressive Linen Co. was inside the association.

It is important to bear in mind that both the Progressive Linen Co. and the Marathon Linen Co. both have Teamster Union contracts, so it was not a question of preferring one company over another because one was union and the other nonunion. They were both union firms.

When Mr. Downey says in his affidavit that Mr. Coleman made more than a request, a letter from Mr. Genematas to Mr. Hoffa on October 12, 1954, quotes Mr. Downey as saying that Mr. Coleman came to him after the meeting in Mr. Hoffa's office, after which everything was supposed to have been settled, and said, "I don't care what has happened. I want you to go back to Progressive, and now, not next week."

The CHAIRMAN. Who said that?

Mr. Salinger. That is what Mr. Downey quoted Mr. Coleman as

saying.

Mr. Kennedy. The point of this is that this was after the meeting in Hoffa's office where they made a complaint to Hoffa that Coleman was doing this, was trying to cost them business, and Hoffa said he would straighten it out.

Shortly afterward, Coleman came back and said, "I don't care what you think has been agreed to. You return the contract to Progressive."

Mr. Salinger. Yes. In fact, the understanding of what Mr. Hoffa said to them was that his main objection was that if it was a pricecutting matter, he didn't want the price war. But they had met that objection through the renegotiation of the new contract.

So far as they were concerned, they met Mr. Hoffa's objections. After that, Mr. Coleman still went back to Kinsel's Drug Stores and told them he wanted them to change back to the Progressive Linen Co. Following that, Marathon attempted for 4 months to get in touch

with Mr. Hoffa to get it straightened out.

Finally, on September 28, 1954, Mr. Nick Genematas wrote a letter to Hoffa which stated in part:

For the last 4 months my sons Bill and George and Anthony Maiullo have been trying to see you. They have written and received no answer. I am writing and sending it to your home as I want you to be sure you will receive it.

Your office has been a party in helping to destroy the free enterprise of America. A year ago, Kinsel Drug Stores, upon finding a Progressive Linen driver stealing, attempted to change suppliers. The suppliers he called refused to serve him. When he found Marathon would and could serve him, he changed over. After he had signed the contract, he was forced to break it and return to his original supplier.

Your office was the cause of the contract being broken. The general opinion is that 30 pieces of silver have been used. No doubt you have been very busy with the international union and have not kept up with the happenings in Detroit.

That is signed by Mr. Genematas, president of the Kinsel Drug Co. The Chairman. That will be exhibit No. 86.

(Letter referred to was marked "Exhibit No. 86" for reference and may be found in the files of the select committee.)

Senator Curtis. Was there a reply to that letter?

Mr. Salinger. There was no reply in the files, and I understand there was no reply to it. The fact of the matter is that the Kinsel Drug Stores today are doing business with the Progressive Linen Co.

Mr. Kennedy. So it shows clearly that the union was used to inter-

fere to obtain the business for the Progressive Co.?

Mr. Salinger. That is correct.

Mr. Kennedy. And Mr. Coleman was the instigator?

Mr. Salinger. That is correct.

Mr. Kennedy. And the record also shows that despite the fact that this was all brought to the attention of Mr. Hoffa, no disciplinary action as far as the removal of Mr. Coleman was taken?

Mr. Salinger. No. As a matter of fact, Mr. Hoffa was quoted in one of his letters as telling Mr. Coleman not to have anything to do with it, and despite that, Mr. Coleman continued to do this.

Mr. Kennedy. And it was all brought to Mr. Hoffa's attention but

nothing happened?

Mr. Salinger. There are at least four or five letters to Mr. Hoffa, and we know of the meeting with Mr. Hoffa.

Mr. Kennedy. Can you tell us about it, Mr. Coleman?

TESTIMONY OF MORRIS COLEMAN, ACCOMPANIED BY COUNSEL, H. CLIFFORD ALLDER—Resumed

Mr. Coleman. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

Mr. Kennedy. You have your cigarette machines at the Progres-

sive Linen Co., do you not?

Mr. Coleman. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

Mr. Kennedy. You also have your machine at the Commercial

Carriers Co.?

Mr. Coleman. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

Mr. Kennedy. And that was the company that set Mr. Hoffa and

Mr. Brennan up in the trucking business, was it not?

Mr. Coleman. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. According to the records, Mr. Kaplan, did we find that Mr. Coleman received some money from local 876 of the Retail Clerks?

TESTIMONY OF ARTHUR G. KAPLAN-Resumed

Mr. Kaplan. Yes, sir, in the year 1956.

Mr. Kennedy. Now how much money did he receive?

Mr. Kaplan. \$1,250.

Mr. Kennedy. He received a total of \$1,250?

Mr. Kaplan. Yes, sir.

Mr. Kennedy. That was at the same time you were working for the Teamsters Union. Would you tell us what you did with the \$1,250?

Mr. Coleman. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

The Chairman. Was it a bribe of some kind?

Mr. Coleman. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. Would you tell us how you have been able to run the trucking company, get business for the Progressive Linen Co., run the Bruce Coffee Vending Co., run and help your wife operate the Bruce Vending Co., which runs these cigarette machines, help her by soliciting and obtaining locations, working on the books of account, and repairing machines, receiving money from the Retail Clerks, and also being a full-time business agent of the Teamsters? Would you tell us how you could do all those things?

Mr. Coleman. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. That is all, Mr. Chairman. The Chairman. Are there any questions?

Mr. Coleman, you will remain under your present subpena, subject to being recalled at such time as the committee may desire to hear you further, upon reasonable notice being given to you or your attorney. Do you accept such recognizance?

Mr. Coleman. Yes, I do.

Mr. Kennedy. Mr. Larry Welsh, Mr. Chairman.

The CHAIRMAN. Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Welsh. I do.

TESTIMONY OF LAWRENCE WELSH, ACCOMPANIED BY COUNSEL, H. CLIFFORD ALLDER

The Chairman. State your name, your place of residence, and your business or occupation.

Mr. Welsh. My name is Lawrence Welsh. I reside at 15851 Ever-

green, Detroit, Mich.

The Chairman. Have you any sort of business or occupation?

Mr. Welsh. I respectfully decline to answer the question and exercise my privilege under the fifth amendment to the U.S. Constitution not to be a witness against myself.

The CHAIRMAN. Do you have counsel?

Mr. Welsh. I do.

The CHAIRMAN. Counsel, identify yourself.

Mr. Allder, H. Clifford Allder, Washington, D.C.

The CHAIRMAN. All right.

You say you do have a business? I didn't quite hear you. Did you say you had a business, or did you say you declined to answer?

Mr. Allder. He declined to answer, Senator.

The CHAIRMAN. Are you engaged in some kind of business, profession, occupation, or enterprise that, if you divulged the name of it or the nature of it, such name or nature of it you think or honestly believe might tend to incriminate you?

Mr. Welsh. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

The CHAIRMAN. I don't know whether you understood the question.

Will you repeat the question to him, Mr. Reporter?

(The question was read by the reporter.)
(The witness conferred with his counsel.)

Mr. Welsh. I honestly feel that if I am forced to answer the question, I will be forced to be a witness against myself in violation of my rights under the U.S. Constitution.

The CHAIRMAN. Then your answer is "Yes." You could have

answered it that way.

Proceed, Mr. Kennedy.

Mr. Kennedy. Mr. Welsh, you are an employee and have been an employee since June 1952, and the recording secretary and organizer since August 1952, of Teamster Local 985; is that right?

Mr. Welsh. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the U.S. Constitution

not to be a witness against myself.

Mr. Kennedy. For a crime committed while in the Army, you

received a dishonorable discharge; is that right?

Mr. Welsh. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the U.S. Constitution not to be a witness against myself.

The Chairman. According to our information, you were convicted for sodomy and given a sentence for 5 years. Is that true or untrue?

Mr. Welsh. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the U.S. Constitution not to be a witness against myself.

Mr. Kennedy. Mr. Welsh, we first became interested in your activities when Ziggy Snyder, who was a Teamster Union official, founded

or established a nonunion carwash in the city of Detroit.

Do you know anything about that, the Fort Wayne Manor Auto

Wash, which was operated nonunion?

Mr. Welsh. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the U.S. Constitution

not to be a witness against myself.

Mr. Kennedy. At the time he was operating the nonunion carwash, he was a union official operating on the docks in the city of Detroit for Local 299, and at the same time he had a docking company which was also operated as nonunion. He had also received a 20- to 40-year sentence in Jackson State Penitentiary for armed robbery.

According to our information and the sworn testimony before the committee, you went to various companies and sought to get business

for Ziggy Snyder's nonunion carwash; is that right?

Mr. Welsh. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the U.S. Constitution

not to be a witness against myself.

Mr. Kennedy. Mr. Chairman, we had a witness appear before the committee who was working for Ziggy Snyder's nonunion carwash by the name of J. B. Wadlington. Wadlington testified last year that the day before he came to Washington, for an 11½-hour day he received \$1.60, and that his weekly wage at Ziggy Snyder's carwash would average between \$6 and \$7 and possibly up to \$12 a week.

Is that correct, Mr. Welsh?

Mr. Welsh. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the U.S. Constitution

not to be a witness against myself.

Mr. Kennedy. William John Neff, manager of the Patent Garage, testified that soon after the Fort Wayne Manor Auto Wash appeared, he received a call from you, of Local 985, and you told him that some of your friends were opening a carwash, and that you wanted him to send the Patent Garage cars there to be washed. Is that right?

Mr. Welsh. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the U.S. Constitution

not to be a witness against myself.

Mr. Kennedy. And he told you at that time he was satisfied with he service he was getting from the Cass Auto Wash; is that right?

the service he was getting from the Cass Auto Wash; is that right? Mr. Welsh. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the U.S. Constitution not to be a witness against myself.

Mr. Kennedy. And shortly after that a picket line appeared, a picket line of Local 985 appeared in front of the Cass Auto Wash;

is that right?

Mr. Welsh. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the U.S. Constitution

not to be a witness against myself.

Mr. Kenned. He said that shortly afterwards you then phoned him again and told him not to send his cars to the Cass Auto Wash because there was a picket line on the place, and again suggested that he send his cars to the Fort Wayne Manor Auto Wash of Ziggy Snyder; is that right?

Mr. Welsh. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the U.S. Constitution

not to be a witness against myself.

Mr. Kennepy. We also had testimony from Bernard Bialkin, of

the Cass Auto Wash, in connection with this matter.

Do you know Bernard Bialkin, in front of whose business a picket line from the Local 985 was established?

(The witness conferred with his counsel.)

Mr. Welsh. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the U.S. Constitution not to be a witness against myself.

Mr. Kennedy. Your brother operates a trucking company, does

he not, Mr. Welsh, Joseph Welsh?

(The witness conferred with his counsel.)

Mr. Kennedy. And he also operated a vending company up until November of 1958 called the J. M. Welsh—no, the S. & W. Vending Co. of Pleasant Avenue, St. Clair Shores, Mich.; is that right?

Mr. Welsh. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the U.S. Constitution

not to be a witness against myself.

Mr. Kennedy. And the information we have is that this company

was operated nonunion. Is that right?

Mr. Welsh. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the U.S. Constitution not to be a witness against myself.

Mr. Kennedy. We also understand you were distributing these

weighing scales during 1953. Is that correct?

Mr. Allder. He didn't hear the question, Mr. Kennedy.

Mr. Kennedy. That you were operating a company which had some

100 Mills vending scales during the period of 1953.

Mr. Welsh. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the U.S. Constitution not to be a witness against myself.

Mr. Kennedy. Mr. Kaplan, did Mr. Welsh state to you in an

interview that he had Mills vending scales?

TESTIMONY OF ARTHUR G. KAPLAN-Resumed

Mr. Kaplan. Yes, sir.

Mr. Kennedy. He said he had approximately 100 of them?

Mr. Kaplan. Yes, sir. That he had organized the company and that he had been familiar with scale operations at the time he had joined 985, and that he had told Mr. Bufalino about this route. Then in response to questions as to whether he still had the route, he said he had sold it. We tried to determine who had been the purchaser and he said all he could remember was that it was a man from Arkansas, and that he sold a few locally.

Mr. Kennedy. We had the testimony of Carl Hopkins, Mr. Welsh, that he received a call from you that you wanted him to buy some of these gum machines, and you offered to sell him the machines for \$20

each and he did purchase them. Is that right?

TESTIMONY OF LAWRENCE WELSH, ACCOMPANIED BY COUNSEL, H. CLIFFORD ALLDER—Resumed

Mr. Welsh. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the U.S. Constitution not to be a witness against myself.

Mr. Kennedy. Have you done any work for Mr. Angelo Meli, Mr.

Welsh?

Mr. Welsh. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the U.S. Constitution

not to be a witness against myself.

Mr. Kennedy. We have had testimony that you have gone around and have been the muscleman for local 985, you have gone around and threatened car wash owners that they better join the union or otherwise a picket line will be placed in front of them?

Mr. Welsh. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the U.S. Constitution

not to be a witness against myself.

Mr. Kennedy. And the fact that you were not interested in the employees is shown by the testimony of Mrs. Anderson this morning, and the testimony that we had about you last year in connection with your trying to get business for Snyder's nonunion car wash; isn't that correct?

Mr. Welsh. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the U.S. Constitution

not to be a witness against myself.

Mr. Kennedy. And despite the development of these facts, you

still remain a union official with local 985?

Mr. Welsh. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the U.S. Constitution not to be a witness against myself.

The CHAIRMAN. What is his position?

Mr. Kennedy. Recording secretary of local 985.

The Charman. You will remain under your present subpens subject to being recalled at such time as the committee may desire to have further testimony from you.

Do you agree to such recognizance upon receiving reasonable notice

of time and place when the committee desires to hear you?

Mr. Welsh. Yes, sir, I do.

The Chairman. Stand aside. Call the next witness.

Mr. Kennedy. Cecil Watts.

The Chairman. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Watts. I do.

TESTIMONY OF CECIL WATTS, ACCOMPANIED BY COUNSEL, H. CLIFFORD ALLDER

The Chairman. State your name, your place of residence, and your business or occupation.

Mr. Watts. Cecil Watts, 18707 Lindsay, Detroit, Mich. The Chairman. Have you any business or occupation?

Mr. Watts. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The CHAIRMAN. How would it incriminate you?

Mr. Watts. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The CHAIRMAN. If you told how it would incriminate you, it would

incriminate you; is that right?

Mr. Watts. It respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

The CHAIRMAN. Do you have a lawyer?

Mr. WATTS, I do.

The CHAIRMAN. What is his name?

Mr. Watts. H. Clifford Allder.

The Chairman. Thank you. Proceed.

Senator Curtis. Did you provide your own attorney or did the union provide the attorney?

Mr. Watts. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

Senator Curtis. Mr. Chairman, I insist the witness answer the

question.

The CHAIRMAN. Under the rules of the committee, you are only permitted to have an attorney here of your choice. If you didn't provide him, the attorney will be excused.

Did you provide yourself an attorney?

Senator Curits. He took the fifth amendment on the question.

Mr. Watts. Yes.

The CHAIRMAN. You provided your own attorney; is that right?

Mr. Watts. I said yes.

The CHAIRMAN. Let's say it so I can hear you.

You did provide your own attorney?

Mr. Watts. Yes.

The CHAIRMAN. Now, do you feel incriminated?

Mr. Watts. No.

The CHAIRMAN. Proceed.

Mr. Kennedy. Mr. Watts is a business agent for Teamster Local 337 and has been for some 13 years.

Is that right, Mr. Watts?

Mr. Watts. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. Prior to that, he was a business agent for the Culinary Workers and for a period of time he was—at least, the records of local 349 of the International Brotherhood of Electrical Workers in Miami, the coin machine union down there, show that Watts was a member and was employed by the Master Music Corp.

Is that right?

Mr. Watts. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. That company was run by the wife of James Passanante, who was a partner of Angelo Meli at a much earlier time in the Detroit jukebox operation.

You have one conviction and a number of arrests. You were con-

victed in 1946 for conspiracy, Mr. Watts?

Mr. Watts. I respectfully decline to answer because I honestly

believe my answer might tend to incriminate me.

Mr. Kennedy. On the morning of January 23, 1950, an employee of the Music Systems, Inc., George Kelly, identified you as the individual throwing a bolt through the window of the company.

Did you do that?

Mr. Watts. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

Mr. Kennedy. He secured your license plate number and gave chase and was able to identify you as the occupant of the car.

Subsequently, the assistant prosecuting attorney for Wayne County refused to have a warrant issued for you. Is that right?

Mr. Watts. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

Mr. Kennedy. On the ground that the witness had not seen the bolt actually leaving your hand; is that correct?

Mr. Warrs. I respectfully decline to answer because I honestly believe my answer might tend to incriminate me.

Mr. Kennedy. Isn't it correct that the assistant prosecuting attorney is also a business partner of William Bufalino, or has been a business partner of William Bufalino?

Mr. Watts. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

Mr. Kennedy. 1 will strike that.

The partner of the prosecuting attorney was a business partner of Mr. Bufalino; isn't that correct?

Mr. Watts. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

Mr. Kennedy. Isn't it also correct that you have owned a number of jukebox routes yourself!

Mr. Kaplan, what have we found as far as Mr. Watts is concerned?

TESTIMONY OF ARTHUR G. KAPLAN-Resumed

Mr. Kaplan. Mr. Watts has had several jukebox coin machine and game operations under his wife's name, from at least 1953 on to the present. He has used several different names for these companies.

Mr. Kennedy. From 1953 to 1958, Ruth's Music, which was

jukeboxes?

Mr. Kaplan. Yes.

Mr. Kennedy. 1953 to 1955, R & C Coin Machine Co., and up to 1957, Ruth's Ski Ball Machine; is that right?

Mr. Kaplan. Yes, sir.

Mr. Kennedy. Those are the companies?

Mr. Kaplan. And also Variety Music, which was being formed at the end of 1958, after this investigation had started.

Mr. Kennedy. Will you tell us anything about your companies?

TESTIMONY OF CECIL WATTS, ACCOMPANIED BY COUNSEL, H. CLIFFORD ALLDER—Resumed

Mr. Watts. I respectfully decline to answer because I honestly be lieve my answer might tend to incriminate me.

Mr. Kennedy. Well, it is correct that your companies are not or-

ganized, isn't that right, Mr. Watts?

Mr. Watts. I respectfully decline to answer because I honestly be-

lieve my answer might tend to incriminate me.

Mr. Kennedy. Despite all the effort in behalf of these other companies, to try to get others organized, you don't have any sticker on your own machines; isn't that right?

Mr. Watts. I respectfully decline to answer because I honestly I

believe my answer might tend to incriminate me.

Mr. Kennedy. Mr. Chairman, we have some documents to put in, but I guess we can't do it.

The CHAIRMAN. We will put them in Monday.

The witness will remain under his present subpena, subject to being recalled at such time as the committee may desire further testimony from him. Reasonable notice will be given your attorney.

Do you accept that recognizance?

Mr. Watts. I do.

The CHAIRMAN. All right.

The committee will stand in recess in public session until next Tuesday morning at 11 a.m.

We will now resolve the committee into an executive session.

(Members of the select committee present at time of recess: Senators McClellan and Curtis.)

(Whereupon, at 4:40 p.m., the select committee recessed, to reconvene at 11 a.m., Tuesday, April 14, 1959.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

TUESDAY, APRIL 14, 1959

U.S. Senate,
Select Committee on Improper Activities
In the Labor or Management Field,
Washington, D.C.

The select committee met at 1:40 p.m., pursuant to Senate Resolution 44, agreed to February 2, 1959, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) sensitive.

mittee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Barry Goldwater, Republican, Arizona; Senator Carl T. Curtis, Republican, Nebraska; Senator Homer E. Capehart, Republican, Indiana.

Also, present: Robert F. Kennedy, chief counsel; Walter R. May, assistant counsel; John P. Constandy, assistant counsel; Arthur G. Kaplan, assistant counsel; Robert E. Manuel, assistant counsel; Sherman S. Willse, investigator; Pierre E. G. Salinger, investigator; Walter C. De Vaughn, investigator; B. Franklin Herr, Jr., investigator; Ruth Young Watt, chief clerk.

The Chairman. The committee will be in order.

(Members of the select committee present at the convening of the session were Senators McClellan and Capehart.)

The Chairman, Call the next witness.

Mr. Kennedy. Mr. Tocco is the next witness, Mr. Chairman.

The Chairman. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Tocco, I do.

TESTIMONY OF SAMUEL J. TOCCO, ACCOMPANIED BY COUNSEL, FRANK CARAVAGLIA

The Chairman. State your name, your place of residence, and your

business or occupation, please.

Mr. Tocco. My name is Samuel J. Tocco. I live at 4108 Harvard Road, Detroit, Mich. My place of business is a soda and delicatessen in East Detroit.

The CHAIRMAN. Did you state the nature of your business?

Mr. Tocco. Delicatessen, sir.

The Chairman. Do you have counsel?

Mr. Counsel, identify yourself for the record.

Mr. Caravaglia. My name is Frank Caravaglia. My business address is 2610 David Scott Building, Detroit, Mich.

The Chairman. Proceed.

Mr. Kennedy. Mr. Tocco, you were in the coin-machine business for a period of time, were you?

Mr. Tocco. That is right, sir.

Mr. Kennedy. You specifically were first in the coin-machine business in the Bilvin Distributing Co.?

Mr. Tocco. Will you repeat that?

Mr. Kennedy. Were you first in the coin-machine business in the Bilvin Distributing Co.?

Mr. Tocco. That is correct.

Mr. Kennedy. That was back at the end of 1945 or early 1946?

Mr. Tocco. About that time.

Mr. Kennedy. Now, how much money did you invest in that company?

Mr. Tocco. Approximately \$25,000.

Mr. Kennedy. Who else was in the company with you?

Mr. Tocco. William E. Bufalino.

Mr. Kennedy. Was anybody else in the company other than yourself and Bufalino?

Mr. Tocco. No, sir.

Mr. Kennedy. Now, you invested \$25,000 and how much did Mr. Bufalino invest?

Mr. Tocco. Well, I would assume he invested an equal amount. Mr. Kennedy. To the best of your knowledge then, he invested also \$25,000?

Mr. Tocco. I believe he did.

Mr. Kennedy. Is that what you understand he invested, \$25,000? Mr. Tocco. Either \$20,000 or \$25,000, and I don't recall exactly.

Mr. Kennedy. You were equal partners?

Mr. Tocco. That is correct.

Mr. Kennedy. And you two ran the company?

Mr. Tocco. That is correct, sir.

Mr. Kennedy. Now, where did you obtain your \$25,000?

Mr. Tocco. I borrowed my \$25,000 from two relatives and one friend.

Mr. Kennedy. Specifically from whom did you borrow the money?

Mr. Tocco. I borrowed some money from my uncle Frank Cusmano.

Mr. Kennedy. Is that C-u-s-m-a-n-o?

Mr. Tocco. That is correct, sir.

Mr. Kennedy. How much money did you borrow from him?

Mr. Tocco. \$9,500.

Mr. Kennedy. By check or by cash?

Mr. Tocco. I am not certain, but I believe it was cash.

Mr. Kennedy. You got \$9,500 in cash from him. Did you give him a note for that?

Mr. Tocco. My uncle wouldn't take a note for it.

Mr. Kennedy. From whom did you get the rest of the money?

Mr. Tocco. I borrowed \$5,000 from another uncle.

Mr. Kennedy. What was his name?

Mr. Tocco. Samuel Viviano. Mr. Kennedy. V-i-v-i-a-n-o? Mr. Tocco. That is correct.

Mr. Kennedy. That was by check or cash?

Mr. Tocco. By cash.

Mr. Kennedy. Did you give him a note?

Mr. Tocco. He wouldn't accept it.

Mr. Kennedy. So that is \$14,500. Where did you get the rest of the money?

Mr. Tocco. I borrowed \$5,000 from a friend of mine.

Mr. Kennedy. What was his name?

Mr. Tocco. James Signorello.

Mr. Kennedy. S-i-g-n-o-r-e-l-l-o; is that right?

Mr. Tocco. I believe that is right.

Mr. Kennedy. Was that check or cash?

Mr. Tocco. That was cash.

Mr. Kennedy. Did you give him a note? Mr. Tocco. He wouldn't accept it either.

Mr. Kennedy. Where did the rest of the money come from?

Mr. Tocco. I had it, my own money, the balance.

Mr. Kennedy. About \$5,000? Mr. Tocco. About \$5,000, roughly.

Mr. Kennedy. Did you obtain that from a bank account or where?

Where did you get that money?

Mr. Tocco. Well, I had it and I don't know whether I had it in a savings account or whether I had been saving it right along, but I had a few dollars and that part of the investment in the company was my own money, and I had it one way or the other.

Mr. Kennedy. Was that check or cash, your own money?

Mr. Tocco. I don't recall.

Mr. Kennedy. Now that is the only money that was invested in this company?

Mr. Tocco. That is correct, sir.

Mr. Kennedy. Now did anybody else make any loans to this company, the Bilvin Distributing Co.?

Mr. Tocco. Well, the corporation borrowed some money. Mr. Kennedy. From whom did they borrow the money?

Mr. Tocco. To the best of my recollection, we borrowed what I believe was \$20,000 from a man named John Priziola.

Mr. Kennedy. John Priziola? Mr. Tocco. That is correct, sir.

Mr. Kennedy. Who arranged for you to borrow the money, the

\$20,000, from John Priziola?

Mr. Tocco, I know Mr. Priziola and I don't remember exactly whether I arranged to borrow it or whether my partner did, but I know I may have.

Mr. Kennedy. Did you arrange to borrow the money from Mr.

Priziola?

Mr. Tocco. I can't be certain, sir, it has been so long I don't remember.

Mr. Kennedy. You don't know who made the arrangements with Mr. Priziola?

Mr. Tocco. Either I or my partner.

Mr. Kennedy. Well, you remember, were you on such a relationship or did you have such a relationship with Mr. Priziola that would permit you to go and borrow \$20,000 from him?

Mr. Tocco. I believe I could have borrowed it from him.

Mr. Kennedy. I understood, or at least when I talked to you earlier, that you didn't know Mr. Priziola that well and that the loan had

been made by your partner, Mr. Bufalino.

Mr. Tocco. Mr. Kennedy, you evidently misunderstood me. I did know Mr. Piziola, and I believe I knew him well enough to borrow the money and whether I borrowed it or not or whether my partner did it, I am not certain. I may have talked to him about it once or twice, and my partner may have started to talk to him about it on another occasion, and I don't know. We may both have been there at one time to borrow the money.

Mr. Kennedy. What was the interest that you paid to Mr. Priziola?

Mr. Tocco. That is something I don't know. I am sure our accountant would know something about it.

Mr. Kennedy. Did he give you the money in the form of cash

or check?

Mr. Tocco. I don't remember whether we got it in cash or in the form of a check.

Mr. Kennedy. What was your conversation with Mr. Priziola about the \$20,000?

Mr. Tocco. No, Mr. Kennedy, I don't remember that.

Mr. Kennedy. You don't remember that?

Mr. Tocco. No, sir, I don't.

Mr. Kennedy. You don't remember whether it was in the form of a check or cash?

Mr. Tocco. That is correct, sir.

Mr. Kennedy. Did you receive, or did the company or corporation

receive a loan from anybody else other than Mr. Priziola?

Mr. Tocco. I believe we may have, maybe, borrowed some money from two individuals or worked out some kind of a deal whereas when we purchased our company, which involved some routes and they would take over the routes as payment for loans.

Mr. Kennedy. Who were these two individuals?

Mr. Tecco. If I remember correctly, sir, one of them was a man by the name of Nicholas Ditta.

Mr. Kennedy. Did you make these arrangements with Mr. Ditta?

Mr. Tocco. I don't remember whether I made them or my partner did.

Mr. Kennedy. What was the arrangement, or what were the arrangements? How much was he to advance?

Mr. Tocco. I don't remember specific amounts, and it might have been \$19,000 or \$15,000, and I am not sure, and I don't remember.

Mr. Kennedy. Who was the other individual?

Mr. Tocco. Well, there was a man who we called Dilogario, or Georgio, or something like that, and I don't recall the name.

Mr. Kennedy. How much money did you get from him?

Mr. Tocco. Approximately \$15,000, and I am not sure, and it may have been \$15,000 or \$12,000 or \$18,000.

Mr. Kennedy. Who made the arrangements with Dilberto?

Mr. Tocco. I don't recall making them with him, and I may have. But I don't recall whether I did or not.

Mr. Kennedy. If you didn't make the arrangements with Mr. Ditta or Mr. Dilberto, who would have made these arrangements?

Mr. Tocco. If I didn't make them, my partner would have, and I don't recall and I may have had something to do with it, but I am not sure.

Mr. Kennedy. How much money did Mr. Dilberto put up?

Mr. Tocco. As I say, sir, I don't recall exactly, and in the neighborhood of \$15,000.

Mr. Kennedy. Was that by check or by cash?

Mr. Tocco. Sir, I wouldn't remember.

Mr. Kennedy. Did Mr. Ditta put his money by check or by cash?

Mr. Tocco. I wouldn't remember that either, sir.

Mr. Kennedy. Ditta put up how much?

Mr. Tocco. I don't know. As I say, I think in the neighborhood of \$15,000, or maybe it was \$12,000, or maybe \$17,000, and I don't recall.

Mr. Kennedy. Mr. Dilberto put up how much?

Mr. Tocco. I would say pretty much the same amount, and I don't know for sure.

Mr. Kennedy. Were you at all familiar with the backgrounds of Mr. Ditta, or Mr. Dilberto?

Mr. Tocco. No, what do you mean by that, Mr. Kennedy?

Mr. Kennedy. Well, did you know if they had any criminal records? Mr. Tocco. No, sir, I had no way of knowing whether they would have a criminal record or not.

Mr. Kennedy. Mr. Ditta had been arrested 20 times and were you aware of that?

Mr. Tocco. No, sir, I was not.

Mr. Kennedy. He had been convicted once for violation of the State gambling law, but he had been arrested six different times for armed robbery, once for assault with intent to kill, once for murder and once for grand larceny.

Mr. Tocco. It is all news to me.

Mr. Kennedy. Did you know Mr. Dilberto's background?

Mr. Tocco. No.

Mr. Kennedy. Did you know he had been arrested 38 times?

Mr. Tocco. No, I had not.

Mr. Kennedy. And convicted eight times? Mr. Tocco. No. sir, I didn't know that.

Mr. Kennedy. When you went to get this money, did you have any conversations with them about obtaining this money, that you can remember?

Mr. Tocco. If I borrowed the money from the man, and I don't recall how much I had to do with that. It has been quite some time, I certainly wouldn't have any conversations about the man's record.

Mr. Kennedy. Maybe I misunderstood you again, Mr. Tocco, but didn't you say, when I talked to you earlier, that you didn't know Mr. Dilberto, and you hadn't heard that name and you didn't know him?

Mr. Tocco. Not by that name, and the name doesn't strike me.

Mr. Kennedy. What name did you know him by?

Mr. Tocco. I don't recall, but the name itself doesn't strike a familiar chord, unless it may have been pronounced differently.

Mr. Kennedy. Who loaned the money to the corporation, then? In what name was the money loaned, if it wasn't in the name of Dilberto?

Mr. Tocco. I don't recall, sir. I don't know.

Mr. Kennedy. Did the company give any evidences of any debt

in the case of Mr. Dilberto or in the case of Mr. Ditta?

Mr. Tocco. Whoever we borrowed money from, I am sure it is a matter of record and should be on the books. However, it is written out and the names are spelled, they should be there.

Mr. Kennedy. Do you know anything about that?

Mr. Tocco. I recall that we borrowed some money from different people, as I say. But exactly how they pronounce their names or how they were spelled, I don't recall. That should be a matter of record, however.

Mr. Kennedy. If you are going to borrow \$20,000 from some-body or \$15,000 from some-body, I would think that you would have that much information at least. Maybe you wouldn't know that they had been arrested 38 times and convicted 8 times, but you would at least know their names.

Mr. Tocco. At the time I am sure I would have known how their names were spelled. We are talking about 1945, probably, and this is 1959, Mr. Kennedy. It is quite a ways back.

Mr. Kennedy. Who were the salesmen in Wayne County, in De-

troit, for the company?

Mr. Tocco. Well we had several salesmen. First of all, we had a man, I think his name was Clegg. I believe that is the way he spelled his last name. I don't remember exactly now.

Mr. Kennedy. What was his first name—Mr. Clegg's?

Mr. Tocco. The best that I can recall it was either Harold or Harry, or something like that.

Mr. Kennedy. Harold Clegg?

Mr. Tocco. Sir?

Mr. Kennedy. Harold Clegg?

Mr. Tocco. It might have been Harold or Howard. I am not sure of the first name, but it sounds something like that. I am not positive.

Mr. Kennedy. Was he the only salesman?

Mr. Tocco. We had several salesmen, Mr. Kennedy. I think our sales staff consisted, if you included me and my partner, of probably eight or nine people.

Mr. Kennedy. Who were the salesmen in Wayne County, the city

of Detroit?

Mr. Tocco. One of them, as I say, was this man named Clegg.

Mr. Kennedy. Incidentally, his name is C-l-e-g-g.

Mr. Tocco. C-l-e-g-g? Mr. Kennedy. Right.

Mr. Tocco. That is right. I believe that is right.

Mr. Kennedy. Who else did you have?

Mr. Tocco. We had a man named Fred Zimmerman.

Mr. Kennedy. In the city of Detroit?

Mr. Tocco. He handled the West Side and part of the western side of the State.

Mr. Kennedy. In the city of Detroit who did you have?

Mr. Tocco. Well, if you want to include Dearborn and so on, Highland Park, which we considered Detroit for sales matters, he handled part of that. That was a man named Fred Zimmerman.

Mr. Kennedy. Go ahead.

Mr. Tocco. John Priziola was a salesman.

Mr. Kennedy. That is the same gentleman that you mentioned earlier.

Mr. Tocco. He is the gentleman, that is correct, sir.

Mr. Kennedy. He was a salesman where?

Mr. Tocco. The eastern side of Detroit, and one county north of Detroit, I believe, or a county and a half.

Mr. Kennedy. John Priziola? Mr. Tocco. That is correct, sir.

Mr. Kennedy. And who hired John Priziola as a salesman?

Mr. Tocco. Either I or my partner. I don't remember now which of the two hired him.

Mr. Kennedy. He has been identified before this committee as one of the biggest handlers of narcotics in the United States.

Mr. Tocco. I read that in the paper this morning, sir.

Mr. Kennedy. Do you remember who hired him—John Priziola? Mr. Tocco. I don't recall. I may have hired him or my partner may have. As I say, you are talking about 1945, and we are up almost to the 60's now, Mr. Kennedy.

Mr. Kennedy. Was he a pretty good salesman?

Mr. Tocco. If I remember correctly, I think he sold quite a few machines.

Mr. Kennedy. How much money did he receive?

Mr. Tocco. He received a weekly salary, just like the rest of the salesmen.

Mr. Kennedy. Who were your other salesmen?

Mr. Tocco. We had a man named——

Mr. Kennedy. In Detroit now. Mr. Tocco. Yes, that is right.

Mr. Kennedy. Who else did you have?

Mr. Tocco. We had a man named Ted Parker, who spent some time in Detroit, though not always, and Mr. Meli, Angelo Meli.

Mr. Kennedy. Angelo Meli? Mr. Tocco. That is correct, sir.

Mr. Kennedy. He was a salesman?

Mr. Tocco. He certainly was.

Mr. Kennedy. How much did you pay him for doing sales work? Mr. Tocco. His pay was the same as any other salesman who was doing the equivalent work. He was paid by the week.

Mr. Kennedy. How much was he paid?

Mr. Tocco. Probably \$125, \$150, I don't know exactly.

Mr. Kennedy. Under whose control was he operating, Angelo Meli?

Mr. Tocco. I don't understand the question.

Mr. Kennedy. Who would give him his instructions as a salesman?

Mr. Tocco. Either I or my partner.

Mr. Kennedy. So John Priziola and Angelo Meli would show up in the morning and you or Bufalino would tell them where to go and what you wanted done?

Mr. Tocco. I certainly would, or my partner. Either one.

Mr. Kennedy. Who hired Mr. Angelo Meli?

Mr. Tocco. Probably his nephew.

Mr. Kennedy. Mr. Bufalino?

Mr. Tocco. I would say.

Mr. Kennedy. Was he a pretty good salesman, too?

Mr. Tocco. I would think so, because the man has a great deal of experience in the phonograph business, more than I had at the time, certainly. I think he was probably the best known operator in the city when he was operating.

Mr. Kennedy. Was he a good salesman?

Mr. Tocco. Yes, very good.

Mr. Kennedy. Did he go out to these various locations, these bars

and taverns, and try to get your machines in?

Mr. Tocco. No, sir. We didn't call on bars and taverns. We called on operators who bought our equipment. They, in turn, placed them in locations.

Mr. Kennedy. And he went and did that kind of work for you?

Mr. Tocco. That is correct, sir.

Mr. Kennedy. Had you known that he had been listed as Public Enemy No. 1 in the city of Detroit for a period of time?

Mr. Tocco. No, I had not. Frankly, I don't believe that.

Mr. Kennedy. Mr. Bufalino hired him, though?

Mr. Tocco. He is his nephew. I imagine he did; yes. Mr. Kennedy. Well, did he or did he not? Did you?

Mr. Tocco. He probably did. I don't recall.

Mr. Kennedy. Well, did you? Let us pin it down. Did you?

Mr. Tocco. I can't be certain. It has been so long. I might have said something about hiring his uncle because he is a man with a vast experience in the coin-machine field and he would be an asset to us.

Mr. Kennedy. Could you tell us if Angelo Meli was a salesman why

his salary does not appear on the books of the Bilvin Co.?

Mr. Tocco. I have no idea that they don't. I can't understand that. Mr. Kennedy. Mr. Chairman, could I call Mr. Kaplan in that connection and ask him a question?

The Chairman. All right. He has been previously sworn.

TESTIMONY OF ARTHUR G. KAPLAN—Resumed

Mr. Kennedy. Have you reviewed the books and records of the Bilvin Distributing Co.?

Mr. Kaplan. Yes, sir, I have.

Mr. Kennedy. Does Mr. Angelio Meli appear as a salesman for

the Bilvin Distributing Co. and draw pay as a salesman?

Mr. Kaplan. No, sir. His name does not appear on the books or the records of the company. That is, during the entire period of time that the company was in existence.

TESTIMONY OF SAMUEL J. TOCCO, ACCOMPANIED BY COUNSEL, FRANK CARAVAGLIA—Resumed

Mr. Kennedy. Can you explain that to us?

Mr. Tocco. No, sir, I can't. I can't understand why his name

doesn't appear.

Mr. Kennedy. Mr. Hammergren, who was vice president of the Wurlitzer ('o., said that he operated with the understanding that Mr. Angelo Meli was the one that was really operating this company.

Mr. Tocco. That might have been his understanding, but he was certainly wrong.

Mr. Kennedy. He was wrong? Mr. Tocco. I hope to tell you.

Mr. Kennedy. He was just a plain salesman?

Mr. Tocco. That is right.

Mr. Kennedy. Who was hired for \$125 a week?

Mr. Tocco. That is correct, sir. Probably to help his nephew, maybe; a little bit.

Mr. Kennedy. Did Mr. Meli loan any money to the Bilvin Dis-

tributing Co.?

Mr. Tocco. Not to my knowledge.

Mr. Kennedy. Do you think you would know about it if he had loaned some money?

Mr. Tocco. I would think so.

Mr. Kennedy. The people that you mentioned are the only ones that, according to your understanding, loaned any money to the Bilvin Distributing Co.?

Mr. Tocco. To the best of my recollection, that is correct, sir.

Mr. Kennedy. Would you tell the committee how these various individuals were repaid for the money that they loaned to the

company!

Mr. Tocco. Well, to the best of my recollection, right after we purchased the Morgan Distributing Co., Mr. Bufalino and I, I believe that the persons who had—if you want to call it a loan, first of all, Mr. Kennedy, if you want to call it a loan, and that part of it I am not too clear on myself at this time.

If we did obtain money from people, I am pretty sure it was with the understanding that they were interested in operating phonograph routes, and in order for us to buy the previous distributor of Wurlitzer phonographs in the Michigan area, we had to buy the entire business,

routes and wholesale division as well.

We may have bought the whole thing, and these people may have been interested in the routes. We may have turned the routes over to them at market value and they may have made up the difference to us, or if the money they had loaned us was more than the routes was worth, we may have had to give them a little money.

Mr. Kennedy. How did you repay them, then? How did you

repay John Priziola, for instance?

Mr. Tocco. Probably out of the profits that came out of our company.

Mr. Kennedy. Do you know how you repaid?

Mr. Tocco. No; I don't recall that exactly how we paid the man.

I am sure we paid him?

Mr. Kennedy. How did you repay the people from whom you made the loans, your uncle? Did you repay Frank Cusmano?

Mr. Tocco. Certainly I repaid him.

Mr. Kennedy. Did you pay him in cash or by check?

Mr. Tocco. I am not sure. I can't say, but I paid him, either cash or check. I am not positive.

Mr. Kennedy. Where did you get the money to repay him that?
Mr. Tocco. Part of my profits from the company, sir, my share of the profits from the company.

Mr. Kennedy. How about your uncle, James Signorello?

Mr. Tocco. James Signorello is not my uncle. He is a friend of mine.

Mr. Kennedy. The \$5,000 you got from him, did you repay him?

Mr. Tocco. I certainly did.

Mr. Kennedy. By check or by cash?

Mr. Tocco. I can't recall, Mr. Kennedy. It is some time ago. I think it may have been cash, but I can't recall.

Mr. Kenneby. Did you pay that in a lump sum?

Mr. Tocco. Mr. Signorello, I am fairly certain, paid all at one time. As for my uncles, I am not sure whether I paid them in one installment or two.

Mr. Kennedy. How about Samuel Viviano?

Mr. Tocco. He is my uncle.

Mr. Kenneby. How did you pay him?

Mr. Tocco. As I say, I can't recall whether I paid him at one time or two or three and whether I paid him in cash or checks. I am not positive.

Mr. Kennedy. You paid that out of the profits of the company?

Mr. Tocco. My share of the profits of the company, Mr. Kennedy.

Mr. Kennedy. Did you know Mr. Harry Graham?

Mr. Tocco. Yes, I did.

Mr. Kennedy. What did Mr. Harry Graham have to do with this company?

Mr. Tocco. What company, Mr. Kennedy? Mr. Kennedy. Bilvin Distributing Co.

Mr. Tocco. As far as I know, not very much.

Mr. Kenneby. Did he have anything to do with it?

Mr. Tocco. No, not that I can recall. I knew Harry Graham when he was a distributor and I talked to him several times because I became interested in the coin machine field. I really don't recall. I may have put him on after I bought Martin Balenseifer out, my partner and I.

After I bought him out, I may have put him on for a month as a

salesman to help me. I really don't recall.

Mr. Kennedy. Was he an influential figure in this business?

Mr. Tocco. As far as I was concerned, he was one of the top men in Detroit in the coin machine field. I thought he knew all the answers.

Mr. Kennedy. We have some information from him that the franchise was first obtained—I want to ask you about this first. When the franchise was first obtained it was obtained by Angelo Meli, Papa John Priziola, and a man by the name of Wilbur Bye, who was later a partner of Meyer Lansky. Would you make a comment on that?

Mr. Tocco. Would you repeat the last name, please?

Mr. Kennedy. Wilbur Bye. That the franchise was obtained in a meeting of Angelo Meli, Papa John Priziola, and Wilbur Bye.

Mr. Tocco. Do you mean before I bought the company?

Mr. Kennedy. At the time the company was up for purchase and the arrangements were made with Mr. Hammergren.

Mr. Tocco. To buy the company?

Mr. Kennedy. Yes.

Mr. Tocco, I bought it from Martin Balenseifer. I don't know what happened between.

Mr. Kennedy. Did Mr. Angelo Meli and Papa John Priziola make the arrangements for you to purchase the company?

Mr. Tocco. No, sir, Mr. Kennedy. I make my own arrangements

when I want to buy a company.

Mr. Kennedy. But had the arrangements been made prior to that time with the Wutlitzer Co. by Angelo Meli and John Priziola?

Mr. Tocco. I don't see why.

Mr. Kennedy. Were they in fact made?

Mr. Tocco. I don't see why.

Mr. Kennedy. Did you discuss this at all with Angelo Meli prior to the time you purchased it?

Mr. Tocco. I had not.

Mr. Kennedy. Had Mr. Bufalino to your knowledge, discussed it with them?

Mr. Tocco. Not to my knowledge.

Mr. Kennedy. You have no information about that?

Mr. Tocco. I do not, sir.

Mr. Kennedy. Did you go up and see Mr. Hammergren yourself in

connection with the purchase of this company?

Mr. Tocco. I don't remember whether I spoke to Mr. Hammergren. I made three or four trips to the Wurlitzer plant in north Tonawanda, N.Y., previous to my purchasing the company. I don't know whether I talked to a man named Hammergren or not. As I recall, and as I told your Mr. May, to the best of my recollection I talked to a man named Bugler or Windler or something like that, and some other man.

Mr. Kennedy. Let me just read you a paragraph that I have from an affidavit of Harry Graham in which he stated—and then I will ask you if you have any comment—

I am well acquainted with Milton "Mike" Hammergren, having first met him when he was in charge of the Wurlitzer retail sales and was resident in Chocago. My acquaintanceship wth Hammergren was widely known, and I believe it is because of this that I was approached by Angelo Meli some time toward the end of 1945 and solicited to obtain for him the Wurlitzer franchise for Detroit and the Michigan territory.

Angelo stated that he wished to have the distributorship so that he could control jukebox operations in Detroit. He said he planned to do this by flooding the market with his machines. In return for my intersession on his behalf, he promised that I would head the distributorship he would then

set up.

Do you have any information about that?

Mr. Tocco. Not at all, sir.

Mr. Kennedy. You did not know that that was going on?

Mr. Tocco. No, sir.

Mr. Kennedy. You did not know that these conversations were going on?

Mr. Tocco. I had no idea. If they did.

Mr. Kennedy. In addition, of course, we have had Mr. Hammergren here, who testified that as far as he was concerned Mr. Angelo Meli was running the company and then we had Mr. Taran, who is a prominent figure in jukebox operations, and who was active in a number of areas, and had been offered the distributorship at one time in Detroit.

He also testified that Mr. Angelo Meli was running the company.

You say that that is not correct?

Mr. Tocco. That is right, sir, it is not correct.

Mr. Kennedy. Do you say that Mr. Angelo Meli put up no money in this company, loaned no money to the company? Is that correct?

Mr. Tocco. Would you repeat that, please?

Mr. Kennedy. That Angelo Meli made no loans to the company? Mr. Tocco. To the best of my knowledge, that is correct, sir.

Mr. Kennedy. The only contact he had, then, was that he was on the payroll as a salesman at some \$125 a week?

Mr. Tocco. That is correct, sir.

Mr. Kennedy. And as a salesman, he received his instructions as to what his duties were from you, is that right, or from Mr. Bufalino?

Mr. Tocco. Either from me or from my partner.

Mr. Kennedy. You would tell him where you wanted him to go? Each day he would report for work and you would tell him where

you wanted him to go?

Mr. Tocco. I didn't tell him where I wanted him to go. Maybe some time I would tell him something I wanted him to do specifically, but most of the time he knew the operators; he knew who he wanted to call on. He knew the route.

Mr. Kennedy. Did you ever tell him you were dissatisfied with his

work?

Mr. Tocco. I was never dissatisfied with his work. If I had been, he would have known about it.

Mr. Kennedy. Did you ever tell Papa John Priziola that you were dissatisfied with his work?

Mr. Tocco. I may have. I don't recall now.

Mr. Kennedy. After you sold out the Bilvin Distributing Co., did you go into any other company in the coin machine business?

Mr. Tocco. I stayed in the coin machine business for a little bit

after that. Maybe a year or a year and a half.

Mr. Kennedy. What company was that?

Mr. Tocco. As I recall, I went to the coin machine show in Chicago and tried to pick up another phonograph, and I believe I did, for a short period of time, a new one, evidently.

Mr. Kennedy. What company did you go into then?

Mr. Tocco. Well, I tried to be a distributor for the Filbin Co. They are a maker of phonographs that evidently had been out some time previous, but in the 1946 or 1947, I think they came out again with a new mechanism or a new cabinet. I don't recall which.

Mr. Kennedy. Then were you with the Great Lakes Dispensers? Mr. Tocco. That is correct, sir. It was a coin machine that dispensed citrus juice.

Mr. Kennedy. How long were you with them?

Mr. Tocco. Well, I think between Filbin and this machine, I think I was in business maybe 9 or 10 months. I don't recall exactly.

Mr. Kennepy. Was the Great Lakes Dispensers organized by the

Teamsters Union?

Mr. Tocco. Well, first of all let me explain to you what Great Lakes Dispensers was. Great Lakes Dispensers consisted of one salesman, and I was the salesman, and one mechanic, who worked for another coin machine operator previously in employment by me, and as I understand it he still had a union card.

Mr. Kennedy. What about you?

Mr. Tocco. I didn't have a union card, Mr. Kennedy.

Mr. Kennedy. Did Mr. Bufalino make any attempts to organize you?

Mr. Tocco. Not that I recall.

Mr. Kennedy. Why did the Bilvin Distributing Co. sell out?

Mr. Tocco. For the reason, Mr. Kennedy, that we could not make any money.

Mr. Kennedy. It was as simple as that?

Mr. Tocco. That is right, sir.

Mr. Kennedy. How did Bufalino end up in the union thereafter? Mr. Tocco. That is something I don't know anything about, Mr. Kennedy.

Mr. Kennedy. And, Mr. Tocco, just in finishing, you have not been

arrested, is that correct?

Mr. Tocco. That is correct, sir. I have never been arrested.

Mr. Kennedy. You have obviously no convictions?

Mr. Tocco. No, sir; I don't have any convictions and I have never been arrested. I notice that one of our Detroit papers erroneously described me as a man who had been arrested many times for various crimes, and I would like the record cleared on that thing right now, please.

Mr. Kennedy. That is all, Mr. Chairman.

Mr. Tocco. Thank you, sir.

The CHARMAN. There has been no statement made here in this record about him having any criminal record?

Mr. Kennedy. Nor was there ever any statement made at any time

that he had a criminal record.

Mr. Tocco. I understand that, Mr. Chairman, but if it is possible

to put that on the record, please——

The Charman. Yes, sir; that is perfectly all right. You should do it. There is no objection to that, but as I understood you to say, some paper carried a story to that effect.

Mr. Tocco. That is correct, sir.

The Chairman. But it did not carry a story from the record made here to that effect.

Mr. Tocco. That is correct, sir.

Senator Capenart. Did our investigators find any arrests?

Mr. Kennedy, No; we do not.

Senator Capehart. In other words, your investigators found no record whatsoever!

Mr. Kennedy. That is correct.

The Chairman. It is obvious what happened. Some paper made an error. I did not want it charged to the committee that we had made a statement like that if not true.

Is there anything further?

If not, thank you very much.

Call the next witness.

Mr. Kennedy. Mr. William Bufalino.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Bufalino. I do.

(Members of the select committee present at this point in the proceedings were Senators McClellan, Capehart, and Curtis.)

TESTIMONY OF WILLIAM E. BUFALINO, ACCOMPANIED BY COUNSEL, H. CLIFFORD ALLDER

The Chairman. State your name, your place of residence, and your

business or occupation, please.

Mr. Bufalino. My name is William E. Bufalino, and I live at 12353 Wilshire, Detroit, Mich. I am an attorney by profession and I am the president of Teamsters Local 985 in Detroit.

The Chairman. Thank you very much. You also have counsel

present?

Mr. Bufalino. Yes, sir; I have.

The Charman. Counsel, identify yourself for the record.

Mr. Allder. H. Clifford Allder, Washington, D.C.

The Chair Man. The Chair received from the witness a statement addressed to "Gentlemen," the 7th of April 1959, and it concludes by stating—

It is requested that I be permitted to read orally into the record this letter in its entirety, immediately prior to my being required to give oral testimony. It is addressed to the U.S. Select Committee on Improper Activities in the Labor or Management Field, Senate Office Building, Washington, D.C.

Subsequently thereafter, and I don't have the date that was received, but it was about that time, but subsequently thereafter the Chair received from the witness a letter, or first a telegram, dated April 9, 1959, and that telegram was received at 4 p.m. and came to my attention at 4 p.m. of the 9th of April, and thereafter I received a letter from the witness addressed to me, dated April 10, 1959. This was delivered by hand on that date. I don't have the hour.

The Chair at this time, without objection, will make the letter and the attachments thereto of April 7, 1959, the original, exhibit 87.

(Document referred to was marked "Exhibit No. 87" for reference and may be found in the files of the Select Committee.)

The Chairman. The telegram dated April 9 will be made exhibit

No. 87-A.

(Document referred to was marked "Exhibit No. 87-A" for reference and may be found in the files of the select committee.)

The CHAIRMAN. And the letter of April 10 will be made exhibit

No. 87-B.

(Document referred to was marked "Exhibit No. 87-B" for refer-

ence and may be found in the files of the select committee.)

The CHAIRMAN. They are made exhibits for reference. There are a number of requests in the letter of April 7 that would call for specific rulings by the Chair if presented. There are also a number of statements in the letter that I think would be improper for presentation. Therefore, so that the record will be clear, I am making it an exhibit for reference as I have stated.

The Chair will be willing, as the testimony proceeds and as the witness proceeds with his testimony, to pass upon any specific request or matter submitted for the committee's decision, but as to this overall and general letter the request will be overruled and the right preserved to you to make such special requests or present such special motions as your testimony proceeds as you may desire.

Mr. Allder. May I be heard, Senator. I take it that you are denying the witnesses the right to read the statement into the record,

sir.

The CHARMAN. I am denying him the right to read the statement. It has a lot of harangue in it that I think is definitely improper, but as to the requests he may make in there, as they are presented the Chair will rule on them.

Mr. Allder. So the record will show it, we are asking permission

for him to read that statement into the record, sir.

The CHARMAN. These permissions are a matter of discretion with the committee, and the Chair feels that the nature of this statement is such that it is improper, and that it should not be permitted to be read. But so as to preserve the record, so there will be no doubt as to what he offered to read, I have made it an exhibit for reference.

Mr. Allder. The witness would like to be heard at this time, Mr.

Chairman.

The Chairman. I will hear the witness briefly.

Mr. BUFALINO. Mr. Chairman, you mentioned that there is a lot of harangue in it, and I think that that is a conclusion that has many implications. I think it is unfair to me, and I respectfully submit that that type of a conclusion ought to be left to the American public.

The Chairman. Then you have the privilege, of course, of handing your document to the press, and you can reach the American public

that way.

It is my duty and the committee's duty to preserve a record here

of integrity.

Mr. BUFALINO. I will do that very thing, and I will contact the press and let them know exactly the contents of it and pass it to them immediately after the hearing.

The Chairman. There is no objection on the part of the committee.

The committee will be very happy to have you do that.

Mr. Bufalino. There is one thing, Your Honor, or Mr. Chairman, that you missed, and that is the telegram that I sent to you in December, and I would like to have that telegram read into the record, and I would like——

The Chairman. I don't have that telegram before me. The Chair

will consider proper disposition of it.

Mr. Kennedy. I don't have it, but I remember the telegram. I don't have it.

The Chairman. Do you have a copy of it?

Mr. Bufalino. Yes, sir, I have.

The Chairman. Let us see a copy of it.

Mr. Kennedy. It was right before Christmas, as I remember.

Mr. Bufalino. I wished you all a happy holiday, yes.

The CHAIRMAN. In retrospect, do you still hope we had a happy holiday?

Mr. Bufalino. Yes, sir, and I didn't receive any reply to it.

The Chairman. We start off very pleasantly.

(A document was handed by the witness to the Chair.)

The CHAIRMAN. The telegram will be received and marked "Exhibit 87-C" for reference only, and simply to keep the integrity of the record, to show what the Chair has referred to as harangue tactics on the part of the witness.

(Document referred to was marked "Exhibit No. 87-C" for reference and may be found in the files of the select committee.)

The Chairman. You may proceed.

Mr. Bufalino. May I have a moment, please? The Chairman. You may have a moment.

(The witness conferred with his counsel.)

Mr. ALLDER. I take it that you will furnish him with a copy of his copy of the telegram. If you put that in the record he is without one.

The CHAIRMAN. Do you want it made a part of the record? I thought you asked for it to be made a part of the record. In the beginning, you requested that it be made a part of the record.

Mr. Bufalino. I don't believe I requested it, but I wanted to read

it into the record now.

The CHARMAN. That will be denied, but we will handle it just as

we have handled the others, which the Chair has directed.

A copy of the telegram may be made and substituted for the copy furnished by the witness, and the copy furnished by the witness may be returned to him.

Proceed.

(The witness conferred with his counsel.)

Mr. ALLDER. As I understand it, you ruled that as to the questions brought up in the letter that Mr. Bufalino wanted to read, you are denying him at this time. As the testimony goes on you said he could

renew each one of them separately.

The CHAIRMAN. I am overruling them in bulk, yes; I am overruling the statement as a proper document to be read into the record at this time. I am not denying to the witness or to his counsel the right to present objections or make requests of the committee as the testimony proceeds. Those will be ruled upon as made at the time and in the light of the best judgment of the Chair and the committee.

Mr. Bufalino. There is one thing, Mr. Chairman, and that is I would like to have the assurance if it is in accord with you, to be heard fully on my subjects that I have brought up in that letter, and I believe that it is pertinent and relevant to the scope of this inquiry, and I certainly hope that we don't have a recurrence of what occurred about 19 months ago, that the charges were lodged against me, and the public mind became saturated and with adverse publicity about me, and I was not afforded an opportunity to reply.

Now, I would appreciate it very much if the Chair would invoke the rules of fair play and permit me to answer fully, fraukly, and freely on any and all subjects that have been brought before this committee. That is in order that the public will be able to have my

side of this story.

The Chairman. Well now, to keep the record straight, the Chair is going to permit you to make a statement of reasonable length and

duration, no doubt, before general interrogation proceeds.

But for the record now, I wish counsel would make a brief statement about this with respect to your having been denied any right or opportunity to appear before the committee. I think that that statement is not accurate, and I want the record kept straight.

All right, Mr. Counsel.

Mr. Kennedy. Mr. Bufalino, did Mr. George Fitzgerald represent you the last time?

Mr. Bufalino. Yes; he did.

Mr. Kennedy. Well, at that time, Mr. Chairman, we had a hearing that lasted approximately a week. Mr. Bufalino testified one morning, and we were not able to finish with his testimony. We had a different witness in the afternoon. But within a day or so Mr. Fitzgerald and I had a conversation, in fact several conversations, in which I stated that as Mr. Bufalino had not had an opportunity to finish his testimony, that he could testify that week, and that we would be glad to hear him. That was, I believe, a Friday or Saturday.

Mr. Fitzgerald came and told me that Mr. Bufalino would not request an opportunity to testify at that time, but that he would be back

at a later time and he would give full testimony then.

I said, "Now, Mr. Fitzgerald, I have seen some of the statements that Mr. Bufalino is apt to make in the press, so I don't want him to be leaving here and going back and saying at a later time that he

was not given an opportunity to testify."

Mr. Fitzgerald said something to the effect that "If Mr. Bufalino ever makes a statement that he was not given an opportunity to testify, I will strangle him," or words to that effect. I called Mr. Fitzgerald last week on the telephone after I read a statement in the paper that Mr. Bufalino was complaining that he had had no opportunity to testify at an earlier time, and reminded him of the conversation. He remembered the conversation.

I spoke to him also about his statement as to what he would do. He said that he remembered the conversation, and he was very concerned and upset that Mr. Bufalino had gone back on an agreement that had been made and reached at that time, and that he would certainly draw it again to Mr. Bufalino's attention, although he was

not going to represent him.

Those are the facts, Mr. Chairman.

Mr. Bufalino. May I supplement those alleged facts, Mr. Chairman?

The Charman. I am not going to continue long about this thing. You may have made your statement. You are here now to testify. You are going to be given the opportunity. You have asked to have it now. If you did have it in the past, and did not take advantage

of it, you can now take advantage of it.

Mr. Bufalino. But there has been a loose statement made about my having gone back on the agreement. Actually, I would like to refer to the record as to what the Chair said at the close of the session on the 27th day of September 1957. No one, I don't believe that anyone testified in the afternoon. No one followed me, Mr. Chairman. I was requested or instructed to appear the next morning. I would like to read just three or four lines of the transcript into the record.

The Chairman. The Chair will indulge you just a minute to read

two or three lines.

Mr. Kennedy. Is this the closing testimony?

Mr. Bufalino. I am reading from page 5643 of the testimony on the 27th day of September 1957, when the chairman said—

Mr. Kennedy. That is not the last day of the hearing, Mr. Bufalino.

Mr. Bufalino. I will read that, too. I was there.

Mr. Kennedy. Wait a minute. I will concede there is—

Mr. Bufalino. Mr. Kennedy, the chairman told me I could read it and I would like to have an opportunity.

The Chairman. Just a moment, now.

Proceed and read the statement at that time that you wanted to read.

Mr. Bufalino. Thank you, Mr. Chairman.

The CHAIRMAN. All right.

Mr. Bufalino. This is from page 5643.

The Chairman. The Chair regretfully announces that due to circumstances beyond our control it has become necessary for us to recess the hearings until in the morning at 9 o'clock. The witness will return tomorrow morning at that time. The committee is in recess.

No one actually followed me that afternoon. So your statement is in error even just to that extent. Then in the morning I was here at 9 o'clock. It wasn't until later in the day that I was told that I was deferred, and that was it. I was deferred 19 months.

The CHAIRMAN. Was that deferred by consent of your counsel? Mr. Bufalino. I don't intend to labor the point any further.

The Chairman. No, I see you don't. But I say it was all arranged

with your counsel. Is that correct?

Mr. Bufalino. I have no knowledge of what other arrangements were made. But if the committee wasn't in session for me, I had a convention to attend at the time.

The Chairman. All right. Let's proceed.

You may now proceed to make a statement. As the Chair said, he will include you for that purpose for a reasonable time for you to present any statement you wish to make regarding testimony, in following up your previous testimony, and any reference to other testimony that the committee may have received from other witnesses up to this time.

All right, proceed.

Mr. Bufalino. Mr. Chairman, there have been many witnesses that have a period here and have been permitted to run off at the mouth and make, cast, many aspersions against my reputation. I would like an opportunity to take each—I have a file on each of these witnesses. I would like an opportunity—I don't want to labor the issue—but I think that the Chair and the entire committee is interested in the contents of these files. They go right into the very substance of the motive which each of these witnesses might have.

I would like, throughout the hearings, to have an opportunity to even refer to this letter, although I don't want to labor the point. I want to be able to refer to this letter where there have been many statements made, particularly to the press, I would say, particularly

by your chief counsel.

The Charrman. Is that the letter of April 10 that you are referring to?

Mr. Bufalino. This is the letter of the 7th of April 1959.

The Charman. I see. All right, proceed.

Mr. Bufalino. May I ad lib from this letter now, or do you make that a closed issue?

The CHAIRMAN. Do what?

Mr. BUFALINO. May I discuss briefly the contents of this letter without going into it?

The Charman. On what phase now do you want to discuss it?

Mr. Bufalino, All of the phases, any and all of the phases contained in the letter, where it affects my background and my reputation and that of my children, and, more particularly, I think there is one thing that really disturbs me, and that is, Mr. Chairman, the injection into this record on the 30th day of June 1958 when you, the chairman, Senator McClellan, made it positively clear that this was not proof of anything, when they injected into the record a list of names.

At that time Mr. Kennedy stated that he would like—that it was in connection with the Mafia hearings—at that time, Mr. Kennedy said, in effect: "Mr. Chairman, these names are really hard to pro-

nounce, and I would like to put these into the record."

You, Mr. Chairman, stated that they will be proof of nothing. They are strictly for the use of the committee and for reference purposes. But having injected those names into the record in the Detroit papers, and I don't blame them—they actually figured that they were making a fair comment—it appears that this is a cast of characters, and my name appears in this connection.

The Charman. Is that a question of attending the meeting up

in New York?

Mr. Bufalino. No, I did not attend any meeting in New York.

The Charman. What is the question?

Mr. Bufalino. I say that actually in that—

The Charman. Do you know where we placed the names in the record so as to identify the parties that may be referred to? Is that

what you are talking about?

Mr. Bufalino. That is right. And then a chart was drawn up with many errors included in that chart. It is put at the tail end of the hearing transcript, and it remains on ad infinitum that Bufalino and his wife are in some way connected. That actually lends itself to other publications, appearing in periodicals and in statements by the press. Then they weave and spin a web of infamy, saying that their children are born to commit crime, they emerge from a shadow of evil, that they have warped Sicilian minds, that they are-

The Charman. Are you talking about what the press said? Mr. Bufalino. That actually, these stories lend themselves, these records actually lend themselves to the fact that all of these things it makes it very difficult for these children to grow up as decent, honest Americans, as they are.

The Charman. We are trying to clean up America, to point out where these conditions exist and prevail in the hope that we can do

something toward cleaning it up.

Mr. Bufalino. You certainly would not do it by destroying my name and my reputation, and by injecting into these records—

The Chairman. I am not saying that we are trying to destroy your name and reputation other than as the proof may come before the committee, and people judge the record for whatever it speaks.

Mr. Bufalino. Another thing, too, Mr. Chairman, actually what it does is to brand and stigmatize my children. It would take, actually—well, it says actually you are born into the Mafia, and then by that you are either born or by marriage. That is what the chart says. I have four daughters, Mr. Chairman, and I think it would take a man of courage for them to have to go in and ask for their hand in matrimony, because I say they are entitled—they pledge allegiance to

the same flag as all other American children do. I am dedicated to protect it. I did. My background will show it. I feel as though I have been aggrieved. I don't want to make an issue of it, but I certainly feel, Mr. Chairman, that I should not be a lifelong victim of hearings such as this, because I want to cooperate with this committee in all of its legislative functions, and I want to assist it. I think that the people in the city of Detroit, the people in the Wilkes-Barre, Pa., and in Pittston, Pa., my hometowns, actually feel that this man is one that has this misspent youth. But I certainly can prove to the contrary.

Senator Curtis. Mr. Chairman? The Chairman. Senator Curtis.

Senator Curtis. As I understand the witness, it is his contention that certain lists of individuals offered by the counsel, and certain charts, create a situation that unjustly accuses him. What I would like to see the witness do is pick out some specific inference or charge that he contends is false, and then tell us what he contends are the true facts in reference to them.

The generalities do not seem to be getting us anywhere.

Mr. Bufalino. I think that is a very sane and sensible approach,

and I certainly would like to be afforded that opportunity.

Senator Curts. All right. What has been testified against you? Cite it specifically and then you tell us what you contend to be the facts.

Mr. Bufalino. May I hand you the chart? I will tell you about it. I know it by memory now. I have been looking at it so long.

Senator Curtis. I remember the chart. It was on the board.

Mr. BUFALINO. In the one instance, you will notice toward the left of the chart William E. Bufalino and Marie Meli, you will notice a line drawn to the northeast direction of the chart all the way up to the young lady, by the way, and an attorney by profession, Emanuel A. Bufalino. You will notice that along the line it is marked "sister." She is not my sister.

Senator Curtis. What relation is she?

Mr. Bufalino. The name is the same, and I actually do not know the degree of relationship that does exist. But she is not my sister.

Secondly, a line drawn over to Russell Bufalino. It says "cousin." Mr. Kennedy, I understand, and I read it in the press, and I have

Mr. Kennedy, I understand, and I read it in the press, and I have copies of the clippings, quoted Mr. Kennedy that Mr. Kennedy made statements to the press that he is my uncle.

Senator Curris. What relation is he?

Mr. Bufalino. I have no knowledge of the degree of relationship that exists if one does exist in fact.

Senator Curris. Does a relationship exist?

Mr. Bufalino. That I actually have no knowledge of. I don't believe—I know it is not my nucle. That is the important thing.

Senator Curris. What I would like to know is: Is it accepted within

your family that there is a relationship?

Mr. Bufalino. That wouldn't make us a relationship. It doesn't make us relatives. When I came in, I called Clark Mollenhoff "consin." I seen him coming by and I said "Hi, Cousin." That doesn't make cousins of us.

At this stage of the game, I know he wants to disown me, anyway.

Senator Curris. What I am trying to get at, Mr. Chairman, is this, and the witness has not helped us so far: What does the record accuse him of that he denies, and what does he contend to be the true facts!

So far you have said here that there are some people that you do not know, whether they are relatives or not. I understood your statement about the lady and about the man.

Mr. Buralino. There is a third man.

Senator Curus. Well, about those two, you do not know whether they are related or not?

Mr. Bufalino. That is right. I have no knowledge of any degree

of relationship existing.

Senator Curris. And your complaint is that Mr. Kennedy gave them a specific relationship?

Mr. Bufalino. That is right. Outside of the committee hearings,

I assume.

Senator Curtis. What are your other complaints?

Mr. Bufalino. The third one, they confuse the name of Charles Bufalino. Charles Bufalino, senior, and junior, are father and son. Charles, senior, is my brother. He is an attorney by profession, of the highest repute. He has a son, Charles Bufalino, Jr., and he is an attorney. He has been an attorney for about 5 years or 6 years, and my brother has been an attorney a little over 30 years, I believe.

Now, actually they have this Charles Bufalino—they have it confused that Charles Bufalino is the father of Dolly Bufalino. They have her as my sister. They have him in one instance as my brother, and that makes her-I don't know what it makes her. But at the same time they have her as the father—they have Charles, senior, as her father. It is pretty confused.

Senator Curris. So far you have told me that he was mistaken about the relationship. I asked you for what the facts are, and you say in some instances you do not know what the relationship is.

Mr. Bufalino. I have never had occasion to have to investigate it,

but I understand the investigators here have.

I would like to see if our fathers were either first cousins or

children of first cousins or children of the same grandfather.

Senator Curtis. I do not want to drag this on too long, but what I want to know now is this: Give me another instance where this record—where you contend in the record you are wrongfully ac-

cused, and then tell me what are the facts.

Mr. Bufalino, I will give you a very pertinent one. I think it is important to all Americans, and I know it is important to you and every Senator here. That is since they contend that Angelo Meli is my uncle, and he is actually the uncle of my wife, it actually makes his son, Salvatore Meli, my first cousin. So you have a distortion about a first cousin of mine, and I would like to make a comment about

Senator Curris. Well, now—

Mr. Bufalino. I certainly would not want to be interrupted. This is important, Mr. Senator.

Senator Curtis. You say that the record reflects that he is your

cousin, and the fact is he is your wife's cousin?

Mr. Bufalino. No. He is my first cousin. I would never disown him. Actually, this boy doesn't belong in that record.

Senator Curtis. Is he your cousin or your wife's cousin?

Mr. Bufalino. He was my first cousin through marriage and he is now deceased. I would like to have that name—

Senator Curtis. If he was your cousin through marriage, he would

be your wife's cousin, is that what you mean?

Mr. BUFALINO. That is right. If he is not my first cousin, then Angelo Meli is not my uncle, because he is his father. I would like to talk about this boy and let you know what happened. His name and his wife's name does not belong in that chart. Here is a boy who at the age of 27 gave his life for this country. He enlisted in the military service of the United States. This boy did one tour of duty, became a jet pilot. He did the second tour of duty. He asked for permission to go overseas. He did, only 2 years ago, or a little bit more than 2 years ago.

On November 14, 1956, this boy got killed in a jet airplane overseas, in Germany. I understand that this boy was alerted for active duty. I think his wife has letters to the effect. In fact, his wife was with him. They waited for this girl to have her third child. I believe at the time that her oldest child was actually only 3 years old. And with a 6-week-old child, he took his wife and three children

to Germany.

There is one thing. I just want about 1 minute, and I think I will

get right to the end of it.

This boy gives his life for this country. He was actually cleared for top secret information. Certainly he has no background that anyone would say he has a blemished record. He leaves his wife and children come back here, and these are supposed to be the children of a person in a chart like this, connected with the Mafia?

I believe that they are entitled to the honorable memory of their father, and their great-grandchildren should be entitled to the honor-

able memory of their hero.

Senator Curtis. Are any of these people connected with the Mafia?

Mr. Bufalino. This boy was not. I know that.

Senator Curtis. Can you answer that?

Mr. Bufalino. I don't know the other people that you are talking bout.

Senator Curtis. No; I am talking about the people you mentioned. Mr. Bufalino. First of all, I don't even know whether or not a Mafia exists. This is supposed to be a superficial secret society that they are talking about.

Senator Curtis. Are you connected with the Mafia?

Mr. Bufalino. I am not.

Senator Curris. Have you ever been?

Mr. Bufalino. Never.

Senator Curris. Have you ever met or conversed with anyone that you knew was.

Mr. Bufalino. I never knew that anyone was in such an organization. First of all, these questions are predicated on a false major premise, because I don't know that one actually exists.

Senator Curus. Well, there is nothing false about the premise I am

working on.

Mr. Bufalino. Well, I am working on one.

Senator Curtis. You have complained about the chart in general terms, and the inference which you state that it carries, to your detri-

ment. I have asked you for specific instances of testimony that you consider wrongful. So far you have found that you disagreed with the degree of relationship of some of the parties, and you have told of the war record of this one individual.

Now, other than this chart, what do you wish to cite, if you can hold it briefly, that this record shows, where you contend that the facts aren't that, and what do you contend that the facts are, with reference

to yourself?

Mr. Bufalino. All right, with reference to myself, in the first place, I am not connected with the Mafia, as I said before. So my name and that of my wife does not belong in that chart, because it lends itself to such statements as appeared in one national publication that they put under their "Racketeering Relatives." Then it goes on to say:

Twenty-one of this gang appeared at the Apalachin conference, and the purpose of this conference was to cut up a vast crime empire.

this conference was to cut up a vast crime empire

I want you to know I didn't get any share of any empires. Senator Curris. Were you at the Apalachin conference?

Mr. Bufalino. No; I was not.

Senator Curtis. Do you know of anybody that was there?

Mr. Bufalino. I don't know, of my own knowledge, who was there. Only from what I read in the papers; all the names.

Senator Curtis. Did you talk to anybody who you learned was

there?

Mr. Bufalino. Did I talk to anyone who I learned was there?

Senator Curtis. Yes.

Mr. Bufalino. Not about the conference.

Senator Curris. Did you have any conversations with them that indicated that they were there?

Mr. Bufalino. No, no.

Senator Curtis. Was Russell Bufalino there?

Mr. Bufalino. I wouldn't know that of my own knowledge.

Senator Curtis. Do you know it from him?

Mr. Bufalino. No.

Senator Curtis. That is all, Mr. Chairman.

Mr. Kennedy. Senator, could I straighten out this situation? The degree of relationship that appeared on the chart originally was changed in the case, for instance, of Mr. Russell Bufalino, where we had erroneously that he was his uncle. Russell Bufalino was Mr. William Bufalino's uncle there; we have found that he was his cousin.

Corrections dealing with this situation were sent out to everybody who had a copy of the record in November of 1958. In view of Mr. Bufalino's inability to recollect or to have the information as to what his relationship is to these various people, we will be glad to straighten it out for him.

Mr. Bufalino. I would appreciate it.

Mr. Kennedy. Mr. Bufalino, you are a cousin of Mr. Russell Bufalino who attended the meeting at Apalachin, who is now up for deportation. You are also a cousin of—

Mr. Bufalino. Would you let me know how you arrive at this?

Mr. Kennedy. Yes.

Mr. Bufalino. I would like to know how you arrived at it.

Mr. Kennedy. You are also a cousin of Dolly Bufalino. And as for Angelo Meli—who was it you spoke of earlier, about the gentleman who was killed? Was that Vincent Meli?

Mr. Bufalino. No; Salvatore Meli, and his name does not belong

in there

Mr. Kennedy. Salvatore Meli is the son of Mr. Angelo Meli; is that correct?

Mr. Bufalino. And his wife wrote a letter to you or the commit-

tee and never got a reply.

Mr. Kennedy. Let's get the record. I say, Mr. Bufalino, that this is not a problem. I don't have any information that Salvatore Meli did anything wrong or that his wife did anything wrong, but this is not a problem for the committee. This is a problem for Mr. Salvatore Meli's father, Mr. Angelo Meli, who was public enemy No. 1 in the city of Detroit for a period of time.

Mr. Bufalino. What could this boy do? Mr. Kennedy. Wait a minute, Mr. Bufalino.

Mr. Bufalino. What could this boy do about it? Right now there

isn't anything he can do about it.

Mr. Kennedy. This is something Mr. Angelo Meli should have thought of. As far as Mr. Salvatore Meli's wife, she is the daughter of Mr. Livorsi, who is one of the biggest gangsters in New York.

Mr. BUFALINO. What did this girl do?

Mr. Kennedy. I don't say that she did anything, but this is something Mr. Livorsi and Mr. Angelo Meli should have thought of when

they were getting into their activities.

Mr. Bufalino. It is not activities I am talking about because when you are talking about Angelo Meli being public enemy No. 1, I think that the man that said that went to jail. He was supposed to be the sheriff. You look up the articles and all you have is newspaper

headlines giving this gentleman a reputation.

He had no way of going about it. I do. I am bringing these matters to the attention of the Senate because I intend to file a petition for redress of grievances to the Senate. I know that these Senators here—there is no one Senator here that wants to destroy anybody's reputation, because I know that they have too many important things to do than to be bothering with me or destroying my reputation or anyone else's.

But I say I am not only doing that, but I am bringing it to the attention of the proper forum. I am in Federal court in two cases, and I think you might understand one of which is yours and the other

one is a national publication.

Mr. Kennedy. Now, I want to—

Mr. Bufalino. I would like to get service on you as soon as I can. We will proceed where the rules of evidence are properly applied, where we will be able to present all of the facts fully and where a court will hold the scales of justice with an even hand above hysteria, above politics, above discrimination, and let a jury determine whether or not Bill Bufalino has anything to do with the things that you say.

I say that it should be determined by them to see whether or not I have anything to do, or if I have ever committed any statements. I say that the sooner we get that cleared, the entire world will be able to

know of my true background.

Mr. Kennedy. Right.

The Chairman. All right, proceed to ask questions.

Mr. Kennedy. Mr. Chairman, could I have this letter identified by the witness!

The Chairman. I present to you a photostatic copy of a letter dated April 10, 1958, addressed to The Billboard, 188 West Randolph Street, Chicago 1, Ill., apparently signed by William E. Bufalino.

Would you examine it and state if you recognize that as the photo-

static copy of the original!

(A document was handed to the witness.) (The witness conferred with his counsel.)

Mr. Bufalino. Yes; that looks like a photostatic copy of my letter. I didn't read it, but it looks like it.

The Chairman. Look at your signature on the second page and

identify it.

Mr. Bufalino, Yes.

The Charman. Do you identify your signature on the document? Mr. Bufalino. Yes, I do.

The Chairman. It may be made exhibit 88.

(Document referred to was marked exhibit No. 88 for reference and may be found in the files of the select committee.)

Mr. Bufalino. May I have a moment to read it?

The CHAIRMAN. Yes.

(The witness conferred with his counsel.)

Mr. BUFALINO. I would suggest the whole letter be read into the record.

The Charman. The letter has been made an exhibit. We will proceed. You may ask questions about it.

Mr. Bufalino. I certainly hope—that's all right.

The CHARMAN. When we make something an exhibit here, it goes into the record and becomes a part of the official record. We need not take the time to read it. Proceed.

Mr. Kennedy. In Mr. Bufalino's letter addressed to "Gents" to The Billboard, it is in connection with a request for retraction of those portions of an article—

concerning me that are libelous and based upon false premises. The entire tenor of this article would lead the reader to believe that I am a person

who has transgressed into unlawfulness.

For your information, the Bufalino referred to in your article is not my uncle; and I am certain that you will agree that without your being able to establish this nonexistent relationship this article would be of no interest to the coinmachine industry. The false major premises upon which your article is established lead to equally false conclusions.

Your reasoning follows systematically along certain steps leading to definite conclusions, which, however, are in error because of the false major premises. I request that after investigation concerning this matter you publish the degree

of relationship—if such investigation reveals that one exists.

In questioning the existence of a relationship as represented by you, it is not my intention to convey the thought that I am in accord with the remainder of

the story as it refers to Mr. Bufalino or that I confirm any portion of it.

For your information, I have known Mr. Russell Bufalino since childrood, and it is impossible to conceive the injustice heaped upon one person by the press. This can probably only be attributed to careless statements printed without regard to their accuracy or degree of veracity, since I know him to be of high moral character and a person of honesty and integrity.

Mr. Bufalino. And he is.

Mr. Kennedy. Will you tell us what he was doing at the meeting at Apalachin, Mr. Bufalino?

Mr. Bufalino. I wouldn't know. Maybe you would know. You

have been investigating it. I haven't Mr. Kennedy. Did you ask him?

Mr. Bufalino. No, I haven't. Mr. Kennedy. We asked him.

Mr. Bufalino. You did?

Mr. Kennedy. Yes.

Mr. Befalino. So you got an answer.

Mr. Kennedy. His answer was, "I decline to answer on the grounds

that a truthful answer might tend to incriminate me."

Mr. BUTALINO. That is right. I think he has a right. He has a right to make that statement because the fifth amendment is in the Bill of Rights to protect the innocent. I say that if he recognizes not only the fifth amendment but the sixth amendment, if he recognizes that actually he is a virtual defendant in a legislative trial, he knows he cannot be faced by his accusers, he knows that he cannot bring witnesses in his own behalf; he knows that he cannot properly cross-examine the witnesses, and that he is not being tried by a jury of his peers.

Recognizing that, I think an individual, every American, has the right, and if he is not entitled to assert the fifth, the sixth, the first, or the seventh, or the eighth amendments, then I say that the Senators

ought to take it out.

But I don't think they actually want to take it out. Because these are the things that our Americans everywhere——

The Chairman. Do you propose to go into all of these arguments

and so forth in answering simple questions?

Mr. Bufalino. I will tell you, that wasn't a simple question. That

had far-reaching implications.

The CHAIRMAN. Well, no. You asked if he asked him if he was up there and he said he did. You asked if he got an answer and he said yes, he got an answer of taking the fifth amendment. Then you proceeded with a long lecture about it.

The Chair is going to be indulgent, but we are going to expedite

this within the bounds of reason at least.

All right, Mr. Kennedy, ask your next question.

Mr. Kennedy. Mr. Bufalino, you went into the juke box business in 1946?

Mr. Bufmano. Yes, sir. Not at the end of 1945 as you asked Mr. Tocco. I heard you mention 1945. It wasn't the end of 1945. It was 1946. That is important.

Mr. Kennedy. Thank you. What was the date that you went into

the juke box business?

Mr. Bufalino. It ranged in the month of February, I believe, 1946.

Mr. Kennedy. And that was the Bilvin Distributing Co.

Mr. Bufalino. That was the Bilvin Distributing Co., a corporation. Mr. Kennedy. And who were your partners in that company?

Mr. Bufalino. We were not partners. This is a corporation.

Mr. Kennedy. Who was in the corporation with you?

Mr. Bufalino, I want to talk about this. I testified in this area when I appeared here on September 27, 1957.

Mr. Kennedy. Yes.

Mr. Bufalino. A certain statement was made. We went into this and first of all I want to adopt my answers that I made at that particular time. I want to adopt those answers, and ask that those answers be accepted as my present recollection, and the present recollection at that time, also, but at that time, Senator Mundt, after you had mentioned that so many people were my partners, Senator Mundt said, "Well, we are going to find out. We are going to find out who they were. They were incorporated and we are going to put their names into the record."

I have, and I believe your committee must have, a copy of the articles of incorporation that ought to be made a part of the record.

think that will clear it.

I know if Senator Mundt was here he would make that suggestion

Mr. Kennedy. Who were in the corporation with you, Mr. Bufalino !

Mr. Bufalino, I didn't hear that question. Would you kindly

repeat it?

Mr. Kennedy. It is the same question I asked you twice back. Who was in the corporation with you?

Mr. Bufalino. Who was in the corporation? Do you mean who were the incorporators?

Mr. Kennedy. Yes.

Mr. BUFALINO. Who held the stock? What is it?

Mr. Kennedy. Just explain the whole situation, then, if you don't understand the question. Who was in the corporation with you?

Mr. Bufalino. I don't intend to be whipped here, Mr. Kennedy.

The Chairman. To be what?

Mr. Bufalino. All I want to do is get the impact of the question. You are asking me who was in the corporation. I am asking you, is it the stockholders or is it the directors or what do you want to know?

Mr. Kennedy. Let us take one at a time. Who were the stock-

holders?

Mr. Bufalino. The stockholders? Sam Tocco and Bill Bufalino.

Mr. Kennedy. Who were the incorporators, then?

Mr. Bufalino. The incorporators were Sam Tocco, Bill Bufalino. and John Priziola.

Mr. Chairman, actually, are these articles of incorporation going to be made a part of the record ?

Mr. Kennedy. I thought they had been already.

Mr. Bufalino. I don't know. All right. Mr. Allder. They were when I was here.

Mr. Kennedy. They have already been made a part of the record. Mr. Bufalino. Swell.

Mr. Kennedy. How much money did you put into the corporation? Mr. Bufalino. I think I testified on that, and I believe it was around \$20,000 at the time.

Mr. Kennedy. Where did you obtain that money?

Mr. Bufalino. Are we going to repeat all of this testimony? In other words, I want to say this: That if my testimony here at this time is different in any way, other than the testimony that I gave before, on September 27. I would like to be able to take and make a

comparison of both of them in order to at least make a distinction or explain the difference.

So, therefore, to go back again, I am giving you what I have as my

present recollection.

The Chairman. Let the Chair make this observation, and that will settle this issue: This record is a public record. It will be printed. Tomorrow morning there will be a transcript of it, if the reporter still continues to perform as he has in the past. There will be a transcript of your testimony, and you can examine it.

If there is anything wrong, any error, if you find it, and if you want to come back and correct an honest error that you may have

made, you will be permitted to do so.

You may proceed with that statement. Mr. Bufalino. Fine. That is fair.

The Chairman. If you make a statement that is untruthful, if you make it willfully, you, of course, know what that is. We are not here to try to trap anyone or to get anyone to commit perjury. If you make an honest mistake, you will be entitled to correct it, so you will have no problem with respect to that.

Mr. Bufalino. Fine. That is the thing that bothers me. I actually want to tell the truth. I want to testify completely. I certainly don't want to be put in a position where the two statements don't

coincide, maybe because of a lapse of memory.

The Chairman. Do we have to keep talking about it? I told you it was all right. Let us proceed.

Mr. Bufalino. All right.

Mr. Kennedy. You got \$20,000. Where did you get the \$20,000?

Mr. BUFALINO. I believe that I stated then, and my present recollection now is that \$5,000 I had of my own. I believe I accumulated it when I was in the military service. I don't believe all of it. I earned \$21 a month when I was in the service as a private. But actually, the other \$15,000, I borrowed that in a bank in Pittston, Pa.

Mr. Kennedy. What bank was that?

Mr. Bufalino. I believe it was the Liberty Bank. I believe that is what it was. Correct me if I am in error.

Mr. Kennedy. Who was the guarantor on that loan?

Mr. Bufalino. I believe Mr. Volpe. Mr. Kennedy. Mr. Santo Volpe? Mr. Bufalino. That is right.

Mr. Kennedy. I think he is on this chart, too; is he not?

Mr. Bufalino. You know he is on the chart.

Mr. Kennedy. He is what?

Mr. Bufalino. He has passed away. You know he is on the chart. I think he should be permitted to rest in peace at this time.

Mr. Kennedy. He was probably one of the most notorious gang-

sters in the Pittston area; was he not?

Mr. Bufalino. That is what you say. Why don't you ask the people in Pittston? They will tell you about Santo Volpe; every one of them will tell you about it.

Mr. Kennedy. I asked. We asked the police and that is what they

said.

Mr. Bufalino. Why don't you bring some of them down here? Bring the mayor, the former Governors of the State of Pennsylvania.

They will tell you. Judges will tell you, the working man will tell

Mr. Kennedy. Anyway, he was the guarantor; is that correct?

Mr. Bufalino. Yes; I believe he was. Mr. Kennedy. The other \$5,000 of the \$20,000 was your own money; is that right?

Mr. Bufalino. I believe that is right.

Mr. Kennedy. Mr. Sam Tocco testified that he put up \$20,000.

Was there any money loaned to the corporation!

Mr. Bufalino. I don't know if it was loaned to the corporation or to me. I understand Mr. Kaplan mentioned the books. If you have that information, I don't know whether it is pertinent, if this committee needs this information. This is not going to be a guessing game on my part.

If your investigators actually have checked the books and records of Bilvin Distributing Co., the books and records are the best evidence, not my faulty recollection of 13 or 14 years ago. But I will tell

At that time, in 1946, Bill Bufalino testified in a grand jury. I testified under oath. My recollection certainly was 13 years fresher. I intended when I went in there to answer fully, frankly and freely and truthfully.

I say that we ought to adopt my answers then and put them into this record. I think I am going to call your attention to the hearings conducted by Senator Kefanver in 1951. They are printed in a congressional volume.

If Congress actually needs the assistance of this testimony, I would

like to read it all to them.

Mr. Kennedy. Mr. Chairman, the question had been raised earlier about whether there were gangsters and hoodlums behind this company and whether Mr. Bufalino was merely a front for them.

Of course, we were very interested in the activities. We have already had testimony that Mr. Priziola, who has been indicted as a top figure in narcotics, was associated with the company. We have had the testimony that Mr. Angelo Meli was a salesman for the company.

We have had the testimony that out of the \$20,000 that Mr. Bufalino put up, \$15,000 was borrowed from a bank where Santo Volpe

was the guarantor.

Now, Mr. Bufalino suggests that we incorporate his testimony before the grand jury into the record. I think that would be extremely helpful as to the situation.

Mr. Bufalino. I think it would.

The CHAIRMAN. Is Angelo Meli your uncle?

Mr. Bufalino. Angelo Meli is my uncle-in-law, yes.

Mr. Kennedy. Mr. Bufalino, who made the loans to this company,

to this corporation?

Mr. Bufalino. Who made the loans to them? I wouldn't have any present recollection. But there was a loan, I believe, in the amount of \$46,000 from Angelo Meli. I don't know if it was made directly to me or from me to the company. Actually, I have no present recollection.

Mr. Kennedy, Mr. Sam Tocco-

Mr. Bufalino. May I answer? Mr. Kennedy. Wait a minute.

Mr. Bufalino. You asked a question and you didn't get an answer. If you want to strike your question, then we will strike them both.

The Charman. Just a moment.

Counsel was simply trying to straighten you out on the information he wanted. Let us not get off on something that wasn't responsive to the question.

Ask the question again.

You make answers, and when you get through, it will help us if you quit.

Ask the question.

Mr. Kennedy. Mr. Angelo Meli, then, loaned \$46,000; is that correct?

Mr. Bufalino. Yes; I believe that is correct.

Mr. Kennedy. All right.

Mr. Sam Tocco, who was in this company with you, was the other stockholder in the company. He testified this afternoon that he was never aware that Mr. Angelo Meli had put any money into this corporation.

Will you explain that to us?

Mr. Bufalino. No. I don't have any explanation. He is going to have to explain his answers. I will explain mine. If he wasn't aware of this or doesn't remember, I don't know.

Mr. Kennedy. Do you mean \$46,000 was put in this corporation by Angelo Meli, and one of the two owners of the corporation was un-

aware of it?

Mr. Bufalino. If you would only check the question, we will go back to the question. You wanted to know if he put in \$46,000, or loaned \$46,000, I think you said, loaned \$46,000. He did. Whether he loaned it to me or loaned it to the company, I don't even remember.

The CHARMAN. The question is whether the company would borrow some \$46,000 from this man Meli without Mr. Sam Tocco, the other partner or the other owner of the company, knowing about it?

Mr. Bufalino. Well, I actually don't even know—I don't remember whether or not the company borrowed it or whether I borrowed it. I understand Mr. Kaplan has checked all the records. Certainly the records will reflect who did what to whom. They will be in there.

The Chairman. Well, I don't know whether they do or not. There is testimony here that this man Meli served as a salesman, receiving \$125 a week. According to the testimony, the records don't reflect that

at all.

Mr. Bufalino. I was listening— The Chairman. Wait a minute.

Mr. Bufalino. I am sorry. Go ahead.

The CHARMAN. I don't know whether the records are completely accurate or not. We ask you these questions to determine whether they are accurate or whether there are discrepancies in them, and try to get just what the facts are.

Mr. Bufalino. May I comment on that, Mr. Chairman, a brief

comment?

The CHAIRMAN. Very briefly.

Mr. Bufalino. I heard Mr. Kaplan make that statement. He didn't say how many records, what records, if he saw one or all of them. If he saw the ledgers, the daily entry books or whatever they were, the checkbooks, the canceled checks. Certainly I wouldn't be testifying in 1946 in a State grand jury when they had the books and records in front of them that he was a salesman if he wasn't. That is what I

base my present recollection on. The Chairman. All right. You have said he is a salesman. According to the records we have, there is no record that he was a sales-Therefore, now, we find a loan here of \$46,000 to somebody in connection with the business. We find one of the principal owners saying he knows nothing about it. It is those things we are trying to get correct here because there is some inference which has been stated, I think, that there was an element of folks in back of this thing or involved in it regarded as not desirable business associates,

if I may say it that way, from the standpoint of society.

Mr. Bufalino. My uncle was.

The Chairman. Well, I don't know how good your uncle is.

Proceed, Mr. Kennedy, with the questioning.

Mr. Kennedy. Mr. Sam Tocco also testified that you both put up equal amounts of money.

Mr. Bufalino. It wouldn't be equal if he put 25 and I put 20.

Mr. Kennedy. If you received \$46,000 from Angelo Meli, did you then invest that money in the company under your own name?

Mr. Bufalino. I don't remember that. The books will reflect it.

Mr. Kaplan knows. He saw them.

Mr. Kennedy. The books do not reflect that. I am trying to get the information from you. You have been putting statements out, Mr. Bufalino, as to the fact that you were looking forward to testify-

Mr. Bufalino. I certainly was.

(At this point Senator Goldwater entered the hearing room.)

Mr. Kennedy. And you have been giving all of this information. Now we have this \$46,000 of Angelo Meli, which is extremely important.

Mr. Bufalino. How is that relevant to the scope of this inquiry in

the first place?

Secondly, how is it going to affect the legislation in this Congress? (At this point Senator McClellan withdrew from the hearing room.)

Mr. Kennedy. It is a question that is easily understood, as to whether you are just acting as a front for the gangster and hoodlum element of Detroit; that after this company went out of business, as has been testified to, you suddenly appear as head of the union.

Mr. Bufalino. What did we do that was wrong? That is the important thing. What did we do that was wrong? Assuming, arguendo, that they are what you say they are, what did we do that was in error? We actually pursued our remedies in the courtroom.

Mr. Kennedy. You just wanted to know why we are going into this,

and that is why I made the statement.

Mr. Bufalino. Well, that is fine.

Mr. Kennedy. We have the testimony as it appeared before the grand jury, which might be helpful at this time, if we could have it made an exhibit.

Senator Curtis. This is the testimony of Mr. William Bufalino? Mr. Kennedy. Yes.

Mr. Allder. He has asked that it be made part of the record, Sena-

Senator Curtis. We will make it an exhibit. It will be exhibit No. 89 for reference.

(Document referred to was marked "Exhibit No. 89" for reference

and may be found in the files of the select committee.)

Mr. Bufalino. I want to say that any statements that I make are my present recollection. I believe that my recollection at that time—I mean, those statements I would want to be my testimony because I intended then, like I said, to testify honestly. I certainly don't want to have any statement now in conflict with any then. My recollection certainly was much better then.

Senator Curtis. All right, Mr. Counsel.

Mr. Kennedy. I might read some excerpts from that testimony. We have it extracted, copies for members of the committee. It states:

Question. Who were the original subscribers to the stock? Answer. Here's the thing, the stock is not issued to this date—and this is November 11, 1946.

Answer. Here's the thing, the stock is not issued to this date, but the original subscribers were who were intended to be the original subscribers.

Question. Who were they?

Answer. Angelo Meli, myself, Johnny Priziola, and Sammy Tocco.

Mr. Bufalino, was Mr. Meli intended to be one of the original subscribers to this stock? Is that correct?

Mr. Bufalino. Yes. I am sorry. Yes; he was intended at the beginning. In fact, you see, I will give you a brief explanation.

At that time, it was in the early part of February. I was discharged from the military service effective February 25. I was put out on terminal leave on January 18, 1946. At that time, I don't know if it was going to be a partnership or corporation, or what. In the early part, we didn't know what it was going to be.

On February 12, I believe, we were incorporated.

Mr. Kennedy. I am glad we got this straightened out now in the record. You raised another question in Detroit, sending a telegram regarding the association with John Priziola, who has been identified here as one of the big narcotics figures in the United States. We have here from your own testimony that involved in this right from the beginning were "Angelo Meli, myself, John Priziola, and Sammy Tocco."

Mr. Bufalino. I wouldn't get excited about John Priziola being so identified. I will tell you one thing. If they had anything on John Priziola, Mr. Siragusa wouldn't be here testifying as to things that he says occurred many years ago. I say that is strictly hearsay. This man is innocent until he is proven guilty.

(At this point Senator McClellan returned to the hearing room.)

Mr. Kennedy. Just like Al Capone.

Mr. Bufalino. He was convicted. But let's stay on the subject for the moment.

Mr. Priziola was not tried. He is entitled to that. This is an innocent man, for your information, Mr. Kennedy, and for the world's information. He is not what you claim him to be.

This man walks out of here, actually doesn't understand the impact of your questions, doesn't know how to help himself, but I think he is a loyal man.

Mr. Kennedy. And he and Russell Bufalino.

Mr. Bufalino. That is right, yes.

Mr. Kennedy. (Reading):

Question. How much did each of you subscribe for?

Answer. Well, we were going to take our proportionate share in accordance with the amount of money we put up.

Question. How much did you put up?

Answer. I put up \$20,000; my uncle put up \$46,000.

Question. Angelo?

Answer. That's right, Angelo Meli put up \$46,000.

Question. You put up \$26,000.

Answer. \$20,000.

Question. Angelo put up \$46,000?

Answer. \$46,000.

Question. That's \$66,000?

Answer. Mr. Priziola put up \$20,000.

Question. That's \$86,000?

Answer. Sammy Tocco put up \$25,000.

Question. That's \$111,000?

Answer. See, there's \$141,000. Now there's \$30,000 that we borrowed, \$15,000 we borrowed from Carlo Dilberto and \$15,000 from Nick Ditta.

That is correct, those statements?

Mr. Bufalino. Those statements were made under oath. I believe those statements to be true and correct.

Mr. Kennedy. Mr. Chairman, that sets out this whole picture that we have been trying to establish as to the figures and the individuals who were behind the Bilvin Distributing Co., who had these backgrounds and contacts in the underworld in the city of Detroit and elsewhere.

The Chairman. Mr. Meli put up \$46,000, and Mr. Priziola—

Mr. Kennedy. He has been identified.

The Chairman. Mr. Tocco put up \$25,000.

Mr. Bufalino. Sammy Tocco.

The CHAIRMAN. And this witness put up \$20,000. That makes \$45,000. In other words, Mr. Meli put up \$1,000 more than the two of them put up together; is that right?

Mr. Bufalino. I don't know. More than? Yes, \$46,000. Yes.

The Chairman. \$20,000 and \$25,000 are \$45,000, and \$46,000 is \$46,000, and there is \$1,000 difference. You agree on that, don't you? Mr. Buralino. He certainly went by way of left field to put it

Mr. BUFALINO. He certainly went by way of left field to put it into the record. He could have gotten right to that page. The Senate has had it for years, that information.

The Chairman. Sometimes, in some situations, you have to go to

left field to go to first base.

Senator Curtis. Mr. Chairman, I would like to ask the witness about something he testified to more recently. I don't think it will further confuse the record.

Do you know an auto wash plant in Dearborn known as the Bubble Bath Auto Wash?

Mr. Bufalino. Yes.

Senator Curris. Did you know Gerald Duff, the proprietor?

Mr. Bufalino. I met him.

Senator Curtis. Did you ever see him?

Mr. Bufalino. In the labor board meeting, yes.

Senator Curris. Did any of his employees ever sign application cards to join your union?

Mr. Bufalino. I will give you a very briefly—I am going to give

you a transcript.

Senator Curtis. Just whether they did or they didn't.

Mr. Bufalino. Well, there is a confusion. I don't think you can answer that. There were two Bubble Baths. There is a quick explanation. I can give you the transcript, and you can read it overnight, and you can ask me questions about it tomorrow.

Senator Curtis. There was another Bubble Bath?

Mr. Bufalino. Yes.

Senator Curtis. I am referring to the one that he did own and operate.

Mr. Bufalino. Well, there was one right next door. It is a very brief explanation. It is all explained. I know you will be able to——Senator Curris. Well, what is the answer, then, to the question of

whether or not you ever did sign up any of his employees?

Mr. Bufalino. I don't know whether or not we have signed up his employees. There were two Bubble Baths, one next to each other. We signed the employees of Bubble Bath No. 1. We asked the Labor Mediation Board to recognize us or to intervene because management is disputing the question as to whether or not we represented a majority of their employees. We presented that particular case, that and many others, about 200 of them, to the Labor Mediation Board. That Bubble Bath, this No. 1, was owned by a Mr. X, I don't know his name offhand, and then he builds next door on his own property, I understood at the time, builds another place. The cases were pending at the Labor Mediation Board, some of them, for 2 and 3 years.

Actually, on September 5, I went to the Labor Mediation Board to settle 40 cases, and on September 4, if my memory, my recollection, serves me correctly, I called the Federal Building in Detroit, and I understood Mr. Kennedy was there, and I talked to Mr. Bellino and

invited them to attend that session.

Senator Curris. What I want to know is this: Did you have ap-

plication cards from any of Gerald Duff's employees?

Mr. Bufalino. That I don't know offhand. I will have to check that. I don't believe we claimed that we represented their workers.

Senator Curtis. In our record of April 10, page 17652, Mr. Kennedy, talking to Mr. Duff, said:

Mr. Kennedy. You were talking about the fact that at the meeting of the State Mediation Board, Mr. Bufalino came forward with the cards; is that correct?

Mr. Duff. That is correct.

Mr. Kennedy. And he said he had your employees signed up?

Mr. Duff. That is correct.

Mr. Kennedy. You looked at the dates of the cards and—first you saw that none of these people had worked for you?

Mr. Duff. That is right.

Mr. Kennedy. And they were signed prior to the time of the building being erected?

Mr. Duff. That is correct.

Mr. Kennedy. Did you have a dispute back and forth with Mr. Bufalino?

Mr. Duff. Yes.

Your answer is that you did not have the cards for Mr. Duff's Bubble Bath Wash: is that correct?

Mr. BUFALINO. My answer is, Mr. Senator, that his testimony should be referred to the Justice Department—

Senator Curis. No, no. What I want to know is, did you have

cards from his employees?

Mr. Bufalino. I had application cards, I believe, from the Bubble Bath No. 1, I think. There is going to be a state of confusion unless you read the transcript that I have here.

I recall only one meeting with Mr. Duff in the Labor Board, and

every word that was spoken is right in this transcript.

Senator Curtis. What I want to know is: Did you have applica-

tions cards from his employees?

Mr. Bufalino. I don't believe that we have ever claimed to have application cards from his employees.

Senator Curtis. It is your position, then, it was a mistake, an

error, as to which Bubble Bath you referred to?

Mr. Bufalino. It is my position that he was an intruder in the meeting of September 5, 1957, and I made it clear then.

Senator Curtis. Well, now, was it an error, then, that his place of business was bombed?

Mr. Bufalino. Was it what?

Senator Curtis. Was it an error that his place of business was bombed!

Mr. Bufalino. Well, I will tell you, my answer to that is that his night watchman, and I don't want to reflect or cast any aspersions on this man's character or reputation, but I say his night watchman used to sleep there and that night he wasn't sleeping there, and he took a lie detector test and didn't pass it. This man had insurance. It was investigated by the prosecutor's office. Many statements—

Senator Curtis. I want to investigate it a little bit. Do you know

about the bombing?

Mr. Bufalino. Only from what I read. I have no knowledge. I had no part in it.

Senator Curtis. Did you arrange for it?

Mr. Bufalino. No.

Senator Curtis. Did you instigate it in any way?
Mr. Bufalino. I made a general statement. I have no knowledge. I actually don't know anything about that bombing.

Senator Curtis. Did you pay anyone to do it?

Mr. Bufalino. No. I have no knowledge. Here is another thing, here is one thing, Mr. Senator. I am in a bad position here, because actually all a person has to say is "No," and I know the legal implica-tions. Two other individuals come in and say "He did." To get rid of me, they will go in and tell something in a courtroom and they will try you for perjury. I don't want to be put in that position. don't want to quibble over words.

Senator Curtis. I have just reread the testimony clear through, yself. Mr. Gerald Duff did not accuse you of bombing. He said it followed the labor trouble with you. His testimony is he went to the Mediation Board, and the cards you produced were not for anybody that worked for him. You know that his place of business

was bombed or dynamited, didn't you?

Mr. Bufalino. I didn't hear you.

Senator Curtis. You know that his place of business was bombed? Mr. Bufalino. I read it in the paper, and the later headline was, after he went to the prosecutor's office, "Bufalino to be called in bombing probe."

Senator Curtis. Were you ever called?

Mr. Bufalino. I certainly was, and I gave them the transcript and they were able to make their own comparisons as to what he said, and the truth, because there is only one meeting at the labor board, and his statements—

Senator Curtis. I am talking about the bombing. Don't sidetrack me. Have you ever taken a lie detector test as to whether or not you

had any knowledge of this bombing or dynamiting?

Mr. Bufalino. No, I did not.

Senator Curtis. Would you take one?

Mr. Bufalino. No, sir.

Senator Curtis. That is all, Mr. Chairman.

Mr. Bufalino. I would not, and I would never advise any client to take a lie detector test, because I know what the truth is and I don't

need any machine to tell me what the truth is.

Senator Curris. All right, Mr. Bufalino, within the last five minutes you, before this committee, attempted to impeach what you said was the testimony of the night watchman by the fact that he took the lie detector's test.

Mr. Bufalino. No, I said that I didn't want to cast any aspersions

on him.

Senator Curtis. Yes, I know. But you still refuse to take one?

Mr. Bufalino. I don't think he did it. That is why this machine wouldn't work

Senator Curtis You still refuse to take one?

Mr. Bufalino. Well, I will tell you what, let's all take a lie detector. We will have one good party.

Senator Curtis. I will take one on that bombing.

Mr. Bufalino. Let me ask the question: I don't think any worthy or proper purpose can be accomplished by it. I am telling them the truth.

Senator Curris. But you wouldn't take the lie detector test on that

bombing?

Mr. Bufalino. A person is innocent until proven guilty, and I had nothing to do with it. That is my sworn statement. That super-

sedes any mechanical device to tell me what I did.

Senator Curtis. Well, now, here is the thing: This matter is of direct concern and within the jurisdiction of this committee. When a man is sought out to have his place of business organized, asked to put his men in the union, if he refuses, and following that his place is bombed or dynamited—anyway, it blows up—and you, as an official of the union that had at least approached, you or your agents had approached him, now you state under oath that you would not take a lie detector test in reference to that bombing—

Mr. Bufalino. Mr. Senator, you have statements, you have made several false major premises and, therefore, you will only follow to its

illogical conclusion.

Senator Curtis. No, what I have stated is not false. I resent that statement. It is based upon the record. I cross-examined Mr. Duff myself. He did have labor trouble but not with his employees. He had union trouble with your union. Your union did try to organize him. There was a meeting at the Mediation Board. Some time afterward his place is bombed. I think you have made the record quite clear in your statement under oath today that you would not take a lie detector test in reference to any knowledge of it.

Mr. Bufalino. That is right. That you can add on all the other smears that there are that Bufalino was supposed to have bombed that building. Actually, those are the inferences and implications

that you leave in the record.

Senator Curtis. There is no inference on my part. I did not say you would not take a lie detector test. You said it.

Mr. Bufalino. I am telling you I would never take it for anybody.

Senator Curts. I understand that.

Mr. Bufalino. That is my right as an American not to take it.

Senator Curtis. That is right.

Mr. BUFALINO. I will say another thing. What you have done, Senator, is that you still refuse to compare the transcript of the testimony that actually would reveal to you the true facts and circumstances surrounding this thing, and I say, Mr. Senator, that if you would devote a few moments of your time to compare this transcript with that statement that he made, I feel that there are many inconsistencies. I don't say that he lied under oath intentionally. He may have a faulty memory, or a faulty recollection. But I say you owe it to me, specially since you made the statement that you have, to actually read this transcript and know that there is a confusion in your mind at this time.

Senator Curus. Now, Mr. Chairman, I haven't made any statement about Mr. Bufalino. I asked him questions. He made his own state-

ment. I want the record abundantly clear on that.

That is all. Mr. Chairman.

The CHAIRMAN. The record is clear.

Proceed, Mr. Kennedy.

Mr. Kennedy. How long had you known Mr. Ditta, Mr. Bufalino? Mr. Bufalino. I don't know. It couldn't have been very long. Like I said then, I got out of the Army on January 18, on terminal leave, and I was going in business. It must have been a few weeks, a month, or more. But I was in Detroit. I was married there and living off the base at the time. That might have been 6 months.

Mr. Kennedy. Did you make the arrangements with Mr. Ditta on

the \$15,000?

Mr. Bufalino. I have no recollection as to who made those arrangements.

Mr. Kennedy. Did you know of his background and record at that time?

Mr. Bufalino. You tried to read his background into the record the last time I was here, about him, many arrests and all that. I don't believe I knew it. And I don't think that his background is pertinent to the scope of this inquiry at this time. I don't think that injecting the names of all different types of crimes into this record is going to—the only thing it will serve is to prove guilt by association.

Mr. Kennedy. No. It proves who was behind this company, which is extremely important.

Mr. Bufalino. I don't believe it proves a thing. I told you-

Mr. Kennedy. All right.

Mr. Bufalino. Not who was behind you. I told you.

Mr. Kennedy. Well, then, we have that.

I think we have already put in the record on Ditta.

Dilberto; how long did you know him?

Mr. Bufalino. I believe the answer would be the same to both of

Mr. Kennedy. Who introduced you to him?

Mr. Bufalino. I don't know.

Mr. Kennedy. Did you know his arrest record of some 36 arrests and 8 convictions? That is, when you got the \$15,000 from him?

Mr. Bufalino. No. I don't believe I knew the 38 convictions or

arrests or whatever he had.

Mr. Kennedy. Who made the arrangements for you to get the

\$15,000 from him?

Mr. Bufalino. That, again, I don't have no recollection, and I don't And I don't think it is even pertinent to the scope of this inquiry.

The Chairman. The problem is that the whole inquiry is not perti-

nent, but we are going into it.

Mr. Bufalino. No, it is. It serves a worthy purpose.

Mr. Kennedy. When did you go into the local union 985? When did you go into the union?

Mr. Bufalino. Sometime in the summer of——

Mr. Kennedy. 1947?

Mr. Bufalino. 1947. Yes, 1947.

Mr. Kennedy. What position did you take at that time?

Mr. Bufalino. I was the business manager and labor consultant.

Mr. Kennedy. With the union? Mr. Bufalino. I believe so.

Mr. Kennedy. Labor consultant with the union?

Mr. Bufalino. Certainly. A labor adviser. I am an attorney by profession.

Mr. Kennedy. What experience had you had in that field prior to

the time that you were made business manager of the union?

Mr. Bufalino. First of all, you don't need any experience. Once you are an attorney, and you have the basis that I had, and being interested in employment, in the employment field, as I was then, and Mr. Kaplan has an article written by me on postwar employment when I was only 23 years old—I think that gives you the insight on my feelings toward labor and management, that they should cooperate together and work in order that both might live.

Mr. Kennedy. Togetherness?

Mr. Bufalino. That is right. They ought to work together. They should work in harmony.

The Chairman. At \$25 a week?

Mr. Bufalino. I will tell you more about that. I will tell you more about that.

The Charman. All right. We are getting to it. Proceed.

Mr. Kennedy. We will.

Mr. Bufalino, what experience had you had in the field of labor prior to the time you were made business manager of this union?

Mr. Bufalino. Prior to the time that I was made a business man-

ager?

Mr. Kennedy. That is correct. Mr. Bufalino. Of the union?

Mr. Kennedy. That is right. That is the question.

Mr. Bufalino. I studied law. Isn't that enough? You know, now it is a good thing that they have some lawyers in the labor field, with

all the implications that there are.

Mr. KENNEDY. Mr. Bufalino, I will tell you, we are going to have a tough time ever finishing this hearing, if you don't keep your answers down to trying to answer the questions. That is all that is necessary. Just give us what your experience was.

As I understand, the answer is that your experience was that you

went to law school. Is that right?

Mr. Bufalino. But the thing that is going to cause the difficulty here is the fact that you give questions with implications and then a fellow has to go around the corner in order to answer and come back on to the base again.

The CHAIRMAN. He asked you what experience you had had prior

to becoming business manager in labor.

Mr. Bufalino. What could a boy 29 years old—— The Chairman. Just a moment. He asked you what experience you had had in labor prior to becoming business manager of this local.

Wait a minute.

You said you had become a lawyer.

All right; is that the limit of your experience in labor?

Mr. Bufalino. No.

The CHAIRMAN. Well, why don't you answer the question?

Mr. Bufalino. I worked for an A. & P. store, about 14 of them, at the rate of 25 cents an hour in Pittston, Pa. When I would work on a Saturday, I would work 12 hours and get \$3. That would be after we would do our work before we get in and after we leave. We had about 14 hours.

The Chairman. What kind of work—

Mr. Bufalino. Then I worked in a warehouse.

The CHAIRMAN. What kind of work did you do then?

Mr. Bufalino. I worked in the warehouses and I was a clerk in the storerooms and unloading trucks as they would come off into the docks of these Λ . & P. stores. Then I worked outside the mines for about 65 cents an hour dumping coal, in northeastern Pennsylvania, in Pittston, and I was working my way through college.

My mother had passed away when I was 4 and my dad when I was 17, and I had to support myself, with the assistance of my brothers and sisters. They tried to educate me, help me out, and I find myself

with this kind of a background.

But since they have been investigating in northeastern Pennsylvania, I think that maybe Mr. Kaplan, who made a headline saying that the Senate investigator is checking Bill Bufalino, or words to that effect, actually makes them look to Bill Bufalino as a notorious person from somewhere.

He left Wilkes-Barre and actually he has got himself a terrific background. But I think he ought to tell what he found, either from

the police department——

The Chairman. I think you have sense enough to realize that you are contributing mightily to any bad impression there may be abroad about you. We ask you questions, and you go all around the world and finally wind up saying practically nothing. If you would answer questions to the point I think you would make a much better impression, and we would move along in this thing.

Mr. Bufalino. Maybe it is due to the fact that I am disturbed about

what they have done to my background and to my children.

The Chairman. If you will answer the questions, maybe you will be

less disturbed, and we can proceed.

Mr. Bufalino. It is not a matter of being disturbed, Mr. Chairman. It is a matter of getting their name cleared because it has been blemished for no reason whatsoever.

The Chairman. I don't know. I just tried to help you, but appar-

ently I—apparently you are beyond reach.

Proceed.

Mr. Kennedy. You worked in a grocery store in Pittston?

Mr. Bufalino. Many of them.

Mr. Kennedy. Did you work for Sam Volpe for awhile?

Mr. Bufalino. I worked in No. 6 colliery. Mr. Kennedy. Did you work for him?

Mr. Bufalino. I believe he was one of the owners.

Mr. Kennedy. You say you are an attorney, and that is the background that you had, to be a union official, plus what else you have

Mr. Bufalino. I was about 29 years old. What could I be? I worked in A. & P. stores. I went to college for 6 or 7 years. I went to law school. I come out; I work for a year or year and a half, and I was about 29 years old. What can I tell you?

Mr. Kennedy. And you are a labor consultant now for the union;

is that it?

Mr. Bufalino. I was the business manager of the union.

Mr. Kennedy. What is the labor consultant that you brought in?

Mr. Bufalino. Actually, that is what a business manager is.

Mr. Kennedy. Did you have the title of labor consultant?

Mr. Bufalino. I don't know what you would want to call it. I was a business manager.

Mr. Kennedy. You brought it in. You brought the name "labor

consultant" in.

Mr. Bufalino. Don't you actually consult in labor?

Mr. Kennedy. Fine. Were you a labor consultant for that union?

Mr. Bufalino. Don't you actually consult in labor when you are going to bargain and negotiate?

Mr. Kennedy. So you were labor consultant and business manager?

Mr. Bufalino. Call it what you want.

Mr. Kennedy. Did you open an office in Detroit for labor consultant work at the same time you became a union official?

Mr. Bufalino. I believe I did.

Mr. Kennedy. Did you?

Mr. Bufalino. Yes.

Mr. Kennedy. And you worked out of that office; did you?

Mr. Bufalino. I don't know where I worked. I don't know which one coincides with what.

Mr. Kennedy. So you went into the union business and you went

into the labor consultant business at the same time?

Mr. Bufalino. Did you ever hear of a labor consultant han-

Mr. Kennedy. Just answer the question, Mr. Bufalino.

Mr. Bufalino. I don't remember.

Mr. Kennedy. About the same time.

Mr. Bufalino. If you have some information, put it in. That doesn't bother me.

Mr. Kennedy. Did you open an office, and as a labor consultant

at the same time you went into the union?

Mr. Bufalino. I don't remember whether it was at the same time.

Mr. Kennedy. Did vou open a bank account as a labor consultant?

Mr. Bufalino. I possibly did.

Mr. Kennedy. And you started getting fees as a labor consultant?

Mr. Bufalino. I possibly did.

Mr. Kennedy. Who were you advising as a labor consultant?

Mr. Bufalino. I actually have no recollection. My bank accounts would certainly reflect it, and you certainly would not be able to put any improper reflection on that.

Mr. Kennedy. You didn't see that there was a conflict of interest

in that!

Mr. Bufalino. A conflict of interest in what?

Mr. Kennedy. In being a labor ensultant and a union official at the same time.

Mr. Bufalino. How do you make a conflict of interest in that?

Mr. Kennedy. Just answer the question.

Mr. Bufalino. I can't see any conflict of interest. Do you?

Mr. Kennedy. Did you practice law during that period of time? Mr. Bufalino. I had my office with my brother in Pittston at that same time.

Mr. Kennedy. What about in Michigan? You said it was through the fact that you were a lawyer that gave you this background.

Mr. Bufalino. First of all, you don't have to be a lawyer to be a labor consultant, and another thing, too, I didn't have to be practicing law. Once you are a lawyer you are always a lawyer.

Mr. Kennedy. Are you in fact admitted in Michigan? Were you

in fact admitted to practice in Michigan? Mr. Bufalino. Not in the State courts.

Mr. Kennedy. You were not?

Mr. Bufalino. No.

Mr. Kennedy. Did you ever take the bar?

Mr. Bufalino. Yes, I did.

Mr. Kennedy. How many times?

Mr. Bufalino. Mr. Chairman, how is that pertinent to the relevancy of this—

Mr. Kennedy. You brought in the fact that you were an attorney.

Mr. Bufalino. Mr. Chairman, how is that relevant to the pertinency of this investigation, because if I am required to answer these questions, I say that I should be permitted to expound. I have volumes of information pertaining to the bar examinations, and volumes of information and letters that I have written. This thing will go on forever. If actually I am supposed to actually——

The Chairman. Do you mean you don't want to answer? Is that

what you are saying?

Mr. Bufalino. No. But I am saying that I think he is going off, and I think it is not pertinent to the scope of this inquiry. I say that I would like to mention to the Chair that if I am required to answer questions of this type, I should be required to make a full, complete, and comprehensive answer, and to explain the implications on it.

Mr. Kennedy. Mr. Chairman, I didn't bring this in.

The Chairman. I believe, rather than wait and endure a long explanation, I will not compel you to answer. I believe I will forego it. Mr. Bufalino. Thank you.

The CHAIRMAN. But I do believe our information shows that you

took the examination—how many times?

Mr. Kennedy. Three times.

The Chairman. Three times.

Mr. Bufalino. I don't know if that is so. And there were reasons.

Actually, I felt that there were certain reasons. That is why I say actually you are injecting information into this record now that I will have to explain fully and completely as to the reasons why I feel that I was not admitted to practice.

In the first instance, I think—

The Chairman. All right. Say why you feel you weren't admitted

to practice, and we will move along.

Mr. Bufalino. Actually, the Kefauver investigations were on at one of the times there. I will have to request this Chair, at that time, to put in letters and communications that went back and forth from me to Senator Kefauver, and from me to the clerks. I think that this man is going far afield when he is putting these implications into this record. He may think—

The CHAIRMAN. I will tell you what you do. You bundle up all the letters you have pertaining to the subject and send them in, and I

will make them exhibit in bulk to the record.

Mr. BUFALINO. I would rather keep them to myself. I don't think you can accomplish any worthy purpose.

The CHAIRMAN. All right, then. The Chair will permit you to keep

them to yourself.

Mr. Bufalino. I have given records to the committee and they have been here for 2 years, almost.

The CHAIRMAN. All right. Proceed.

Mr. Kennedy. We will go on.

With this background, have you received any money—and this is why again it is pertinent, Mr. Chairman—have you received any money from the Teamsters Union in connection with your law practice?

Mr. Bufalino. Yes, I have. And let me tell you another thing, Mr. Kennedy, if you don't think that I am capable of presenting my case in court, you just come into Michigan and we will try it together You try yours and I will try mine.

Mr. Kennedy. Mr. Bufalino----

The Chairman. Let us hope that that doesn't occur until this committee concludes its work.

Mr. Bufalino. Well, I think-

The CHARMAN. Then there will be time for it.

Mr. BUFALINO. For 6 months he hasn't been in there, and I think when they are investigating in Detroit he should come in and check some of these auto wash owners and check their background. In fact, I have a meeting of quite a few of them Friday night and I will invite you to come to the meeting, Mr. Kennedy. You might be able to let them know exactly how you feel about the economic conditions.

Mr. Kennedy. Mr. Bufalino, I am getting the impression that you

don't want to answer any questions.

Mr. Bufalino. I will answer.

Mr. Kennedy. I am getting that impression.

Mr. Bufalino. You have plenty of answers in me.

Mr. Kennedy. But none of the answers to the questions I am asking you.

Mr. Bufalino. You got answers. Read the record.

Mr. Kennedy. Now, Mr. Bufalino, have you received any money from the Teamsters Union in connection with this alleged practice?

Mr. Bufalino. It is not an alleged practice.

Mr. Kennedy. All right.

Mr. Bufalino. And you, knowing—well, I believe that you are violating the code of legal ethics when you say that, and being an attorney, you would know, actually—

The CHAIRMAN. Well, let us see, if you are a lawyer——

Mr. Bufalino. I said, yes.

The CHAIRMAN. Listen a minute. If you are a lawyer, you frequently refer to something that you may honestly believe to be true that someone says is true, you refer to it as an alleged fact.

Mr. Bufalino. He calls me an alleged fact, Mr. Senator.

The Charman. That is what he did, he called it an alleged fact. I see nothing wrong about it. You may say you agree with him it is not only alleged fact, you may agree to that, but you may say it is an actual fact.

Now proceed with respect to your representation.

Mr. Bufalino. Mr. Chairman, I do not think this discussion is going to help put decent laws on the law books or help the Congress to legislate.

The Chairman. Well, you know, I will tell you: You may be giving this committee and the Congress more information to enlighten it than you think. You may be surprised.

Mr. Bufalino. They might be able to find out they are not all

dumbbells.

The CHAIRMAN. Proceed.

Mr. Kennedy. Could you tell me about that, Mr. Bufalino?

Mr. Bufalino. I mentioned in my letter that I do not intend to make any general statements or give any answers to general questions. I ask at this time that I be confronted with specifics. If you have any information—I said yes. If you have any information, I request that you propound the question, and that question will be answered truthfully and to the best of my present recollection. You have books and records to be able to show it. You have the union books that will indicate it. You have checks. I say that those books and records will reflect the extent of what I have made.

The CHAIRMAN. What is the question?

Mr. Kennedy. I am trying to find out about the practice that he has done. He brought the subject up about the fact that he practiced law, and that that was a natural entree into the union business. That brought up the question of whether he had actually been admitted to the bar in the State of Michigan. Then I asked if he had received any money from the Teamsters Union in connection with this practice of law. According to our information, he received \$5,000 in 1957 from local 299 of the Teamsters, which is Mr. Hoffa's local, and \$5,000 in 1958 for the practice of law. Is that correct?

Mr. Bufalino. Who said it was for the practice of law?

Mr. Kennedy. What was it, then?

Mr. Bufalino. I represent Teamsters local 299.

Mr. Kennedy. I will tell you who said it, the person who endorsed the back of the check. It says "Legal service, 1957." It says "Retainer for year."

Mr. BUFALINO. That is right. What is wrong with that?

Mr. Kennedy. You did receive that money?

Mr. Bufalino. I received that money.

Mr. Kennedy. Then it is endorsed by William E. Bufalino.

Mr. Bufalino. That is right.

Mr. Kennedy. What did you do for local 299 to receive \$5,000 in 1957 and \$5,000 in 1958?

Mr. Bufalino. I did plenty for local 299. I will tell you what I recently did.

Mr. Kennedy. Let us go first to 1957.

Mr. Bufalino. You are not going to test my recollection. You are going to have to ask me specific questions. I worked as an attorney in Washington in several cases, where the defendant was acquitted, and I worked also just recently at the Labor Board—I actually have no recollection of the particular items that I have engaged in or have done or have consulted with or gone to labor boards or National Labor Relations Boards, or worked in Washington or elsewhere.

Mr. Kennedy. Is it true that you were here from June 20, 1957, to July 9, 1957, and stayed at the Woodner Hotel and charged the

union \$913.10?

Mr. Bufalino. That is possible. If you have the bills and the bills

are there, you can be sure that they got paid for it.

Mr. Kennedy. Then at the Tuscany Hotel, during Mr. Hoffa's first trial in New York City, at the end of 1957, November 22, 1957, to December 19, 1957, \$1,036.26. Then another charge of \$361.76 at the Tuscany Hotel. Then during Mr. Hoffa's second trial again he was there a month, from April 20, 1958, to June 23, 1958, for a total of \$1,438.89. And for a total for 1957–58 of the hotel bills and these so-called retainers for professional services of \$13,749.92 that went to Mr. William E. Bufalino.

Mr. Bufalino. You gave a large figure and a big speech and how much money was spent, and you just proved that I am practicing law in New York and in Washington. I want you to know that in two cases—in fact, the defendant was found not guilty. The defendant went home free on all of them.

Mr. Kennedy. Was the union paying your salary at the same time?

Mr. Bufalino. I don't know.

Mr. Kennedy. You don't know-

Mr. Bufalino. Do you mean local 985?

Mr. Kennedy. Yes.

Mr. Bufalino. Read the minutes of the meeting and you will know that I have told the members exactly what was happening. I told them the position we were taking. I think what we ought to do is go through the minutes of those meetings that you have here.

Mr. Kennedy. We are going to. Mr. Bufalino. That is all right.

Mr. Kennedy. Was the union paying your salary while you were in New York, and while you were in Washington, D.C.? Was the union paying your salary during this period of time?

Mr. Buralino. Do you mean local 985?

Mr. Kennedy, Yes.

Mr. Bufalino. Yes, I believe they were.

Mr. Kennedy. Did you charge your own local for legal services?

Mr. Bufalino. I don't know that. Mr. Kennedy. Would you identify this check?

The CHAIRMAN. The Chair hands you what purports to be an original check dated July 19, 1957, in the amount of \$160, made out to William E. Bufalino, signed by William E. Bufalino, as authorized signature for Service Drivers and Helpers Union, Local No. 985. It appears to be endorsed on the back by William E. Bufalino. You may examine the check and state if you identify it.

(Document handed to witness.)

(The witness conferred with his counsel.)

Mr. Bufalino. Those are my signatures. It was apparently cashed by me. This is July 19? May I see the check stub on this?

The Chairman. I do not have it. You can tell from that check

whether you signed it.

Mr. Bufalino. It is my signature, but that is all I can tell you

The Chairman. That is enough. Is that your signature?

Mr. Bufalino. Yes, it is.

The CHAIRMAN. That check may be made exhibit 90.

(The document referred to was marked "Exhibit No. 90" for reference, and will be found in the appendix on p. 17700.)

Mr. Kennedy. What did you do for that \$160 you got from your

own local?

Mr. Bufalino. I don't remember what I did.

Mr. Kennedy. Was that some legal work you did for them?

Mr. Bufalino. I don't know that.

Mr. Kennedy. Did you ever charge your own union for legal work?

Mr. Bufalino. I have no recollection if I ever did.

Mr. Kennedy. Can I call Mr. Salinger, Mr. Chairman? The Chairman. Mr. Salinger has been previously sworn.

TESTIMONY OF PIERRE E. G. SALINGER-Resumed

Mr. Kennedy. What do the books show——

The Chairman. What books?

Mr. Salinger. The cash disbursement books of local 985 of the Teamsters Union.

It shows that on July 17, 1957, check No. 2328 was issued to William E. Bufalino, \$160 marked "legal."

Mr. Kennedy. Does that refresh your recollection?

TESTIMONY OF WILLIAM E. BUFALINO, ACCOMPANIED BY COUNSEL, H. CLIFFORD ALLDER—Resumed

Mr. Bufalino. I think that is when Mr. Hoffa got acquitted, around that time. Wasn't that Washington? Wasn't that stamped Woodner or Washington?

Mr. Kennedy. This is local 985.

Mr. Bufalino. Look at the stamps on the back of it, rubber stamps. I think I noticed there Woodner.

Mr. Kennedy. It says:

For deposit only to the credit of Woodner, Woodner Apartments, Woodner

Mr. Bufalino. They must have cashed it. I think he was acquitted July 19.

Mr. Kennedy. What has that to do with local 985 paying your legal

bill?

Mr. Bufalino. Check the minutes. Check the minutes of the meeting.

Mr. Kennedy. Mr. Bufalino, let me ask you this: Were you down here in connection with that trial?

Mr. Bufalino. Yes, I was.

Mr. Kennedy. Were you giving your legal help and assistance in connection with the trial?

Mr. Bufalino. Yes.

Mr. Kennedy. So you got \$5,000 from local 299 and \$160 from your own local union as well as your expenses?

Mr. Bufalino. I do not know about that check.

Mr. Kennedy, Did Mr. Edward Bennett Williams, who was running the trial say he needed the assistance of Mr. William Bufalino?

Mr. Bufalino. All you have to do is check the files in Federal court—you implied that before. You check the files. I believe there was a motion, and there was quite a bit of work. Why don't you call them and ask them what work I did in it?

The CHAIRMAN. We are talking to you. You are the witness.

are asking you what you did. You can remember.

Mr. Bufalino. He grinned the last time when he asked someone else, and he was down here helping Mr. Williams and advising and consulting, and I say-

The CHAIRMAN. We are asking one of the parties to it.

Mr. Bufalino. And I am saying I worked here.

The CHAIRMAN. All right, you worked here. You were down here in that case. Is that right?

Mr. Bufalano. That is right.

The CHARMAN. All right.

Mr. Kennedy. From what office do you practice law in Michigan?

Mr. Bufalino. I don't practice law. Mr. Kennedy. You do not?

Mr. Bufalino, I am not engaged in the practice of law. I am a labor representative in Detroit.

Mr. Kennedy. So you---

Mr. Bufmano, I have an office at suite 500, Bennett Building, Wilkes-Barre, Pa.

Mr. Kennedy. Do you have any law books in Detroit?

Mr. Bufmino. Yes, there is law books in there. Mr. Kennedy. Who paid for your law books?

Mr. Buralino. The union pays for them, and I have my own, some of my own.

Mr. Kennedy. How much has the union paid for your law books?

Mr. Bufalino, I don't know. You have accountants. You have the records. The books are there. They are stamped. Collect the books. They are all stamped. They belong to the union.

Mr. Kennedy. \$598.40 from 1953 to June of 1957 that local 985 paid

for your law books.

Mr. Bufalino. I certainly did not buy many law books with that much money, but I will tell you one thing. I just bought a Barron and Holtzoff on Federal Practice on our case that the union and I have.

Mr. Kennedy. The union?

Mr. Butalino. Yes. The union paid for it, or they are going to pay for it if they didn't. They will approve it. The members want

Mr. Kennedy. How much salary do you receive?

Mr. Bufalino. The books will reflect that. In the vicinity of \$20,000 a year there.

Mr. Kennedy. And then you have expenses?

Mr. Bufalino. I believe I turned all my expense accounts over to you.

Mr. Kennedy. Yes. Do you have expenses?

Mr. Bufalino. Certainly I have expenses. Everybody has.

Mr. Kennedy. Do you have an automobile provided by the union?

Mr. Bufalino. It is the union's automobile. I drive it.

Mr. Kennedy. What kind of automobile?

Mr. Bufalino. A black Cadillac.

Mr. Kennedy. Could I put in as evidence, Mr. Chairman, on the question of the law books? Mr. Kaplan will testify on that.

Do we find that the union has, in fact, paid for the law books of

Mr. Bufalino?

TESTIMONY OF ARTHUR G. KAPLAN—Resumed

Mr. Kaplan. Yes.

Mr. Kennedy. What is the total from January 1953 to June 1957?

Mr. Kaplan. The total is \$598.40.

Mr. Kennedy. There are all kinds of law books, are there?

Mr. KAPLAN. Yes, sir.

Mr. Kennedy. Would you give us some examples of some of those books?

Mr. Kaplan. Well, there is Moore's "Michigan Marriage, Divorce, and Separation Forms," in two volumes.

Mr. Kennedy. How much did the union pay for that?

Mr. Kaplan. \$25.

Mr. Kennedy. There is a book called "How To Win Lawsuits."

The union paid \$6.15 for that.

Mr. Bufalino. You missed the ones on the law on the press. You haven't been there since then, Mr. Kaplan, and the ones on libel. You missed all those books.

The Chairman. The committee will stand in recess until 10 o'clock

tomorrow morning.

The witness will return at that time.

I am advised that the committee will have to meet in room 3302

in the new building.

(Whereupon, at 4:25 p.m., the hearing in the above-entitled matter was recessed, to be reconvened at 10 a.m. of the following day in room 3302, New Senate Office Building.)

(Members of the select committee present at the taking of the

recess: Senators McClellan and Goldwater.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

WEDNESDAY, APRIL 15, 1959

U.S. SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D.C.

The select committee met at 10:15 a.m., pursuant to Senate Resolution 44, agreed to February 2, 1959, in room 3302, Senate Office Building, Senator John L. McClellan (chairman of the select com-

mittee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Sam J. Ervin, Jr., Democrat, North Carolina. Also present: Robert F. Kennedy, chief counsel; Walter R. May, assistant counsel; John P. Constandy, assistant counsel; Arthur G. Kaplan, assistant counsel; Robert E. Manuel, assistant counsel; Sherman S. Willse, investigator; Pierre E. G. Salinger, investigator; Walter C. De Vaughn, investigator; B. Franklin Herr, Jr., investigator; Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at the convening of the session were Senators McClellan and Ervin.)

The CHAIRMAN. Proceed. Mr. Kennedy. Mr. Bufalino.

TESTIMONY OF WILLIAM E. BUFALINO, ACCOMPANIED BY COUNSEL, H. CLIFFORD ALLDER—Resumed

The CHAIRMAN. We will proceed.

Mr. Kennedy. Mr. Bufalino, I believe you stated yesterday you went into the union in June of 1957; is that correct?

Mr. Bufalino. Around that time; yes.

Mr. Kennedy. Did you make your arrangements for going into the union with Mr. Hoffa?

Mr. Bufalino. No; I did not.

Mr. Kennedy. Who was it in the union that you discussed this matter with?

Mr. Bufalino. I believe it was with Mr. James, Eugene C. James. Mr. Kennedy. Did you have any conversations with Mr. Hoffa in connection with it?

Mr. Bufalino, I don't believe I had.

Mr. Kennedy. Had you known Mr. Hoffa prior to that time?

Mr. Bufalino. I don't believe I had. I may have, but I don't have any recollection of having, but if it was, it certainly would have been very casual, to say the least.

Mr. Kennedy. You had not had a very friendly relationship with

Mr. James up to that time; had you?

Mr. Bufalino. We had some labor disputes.

Mr. Kennedy. And you had testified against him before the Murphy grand jury?

Mr. Bufalino. I wouldn't say that.

Mr. Kennedy. You had testified in connection with his activities before the Murphy grand jury; what you felt were improper activities.

Mr. Bufalino. I think in my complete testimony, it having been

placed into the record; I believe it will speak for itself.

Mr. Kennedy. Yes; and wouldn't you characterize it, Mr. Bufalino, that you were exercised at the way the union was being run by

Mr. James, and you testified in connection with that?

Mr. Bufalino. I believe my testimony, first of all it was completely responsive, and my testimony was in connection with the lawsuit that was instituted by me in civil court, and circuit court there—

Mr. Kennedy. Against whom? Just so we can clarify it.

Mr. Bufalino. It was Bilvin Distributing Co. v. Music Mainteance Workers Local Union 23841.

Mr. Kennedy. And that was the union headed by Mr. James?

Mr. Bufalino. That is right.

Mr. Kennedy. So at least you did not have a very friendly attitude, or you instituted a suit against him and you testified before the grand jury in connection with that, and then you say that Mr. James was the one that brought you into the union?

Mr. Bufalino. Actually the institution of the suit, if we want to

get into that suit—— Mr. Kennedy. No.

Mr. Bufalino. Actually, I have the opinion of the court—

Mr. Kennedy. Let us not get into that. Just answer the questions, and then we can move along. We are going to have to close this morning, and just answer the questions and we can go along. You don't have to go into a long speech every time.

Mr. Bufalino. How could we close—

Mr. Kennedy. It is another way of taking the fifth amendment.

Mr. Bufalino. The fifth amendment is here, and I don't intend to resort to it.

Mr. Kennedy. You are resorting to the same thing by not answering the questions, and you did the same thing yesterday. You are

completely unresponsive.

Mr. BUFALINO. You will get responsive answers, full truth and fully complete, Mr. Kennedy, and I feel that you won't be able to finish with me this morning, if you actually want me to answer all of the charges that have been lodged against me.

The Chairman. Mr. Bufalino, if you will answer the question first, the Chair will then indulge you for a brief explanation within proper limits. But if you are going off on a tangent each time a question is asked, I am going to have the questions that we want answered, asked,

and I will direct the counsel to ask you the questions that we want answered. We are going to go on here until 12 o'clock, and we are going to get all of those questions in. If you want them answered now, you are going to have the opportunity. Otherwise, if you feel that they are not answered, and that you haven't gotten into this record all that you want in it, your next appearance will be at your request, and you will be volunteering and at your own expense. don't want any misunderstanding.

The Chair wants to be fair with you, and I want you to answer anything that has been said about you, any implication that you think is of a derogatory nature. But answer the questions and you will get your answers in. We will make a record here that will tend to

throw some light on the situation and your side of the issue.

If you don't, you are going to have a messed up record here that is not going to reflect to your credit and maybe one that is not complete.

Proceed.

Mr. Bufalino. Mr. Chairman, may I have one point of order?

The Chairman. You may have one point.

Mr. Bufalino. I would like to state that the questions of the chief counsel in many instances have overtones of impropriety, and for that reason I think that they need an explanation. Actually, the only thing that I said—

The Chairman. The Chair told you to answer the question and I

will give you an opportunity to make a brief explanation.

Mr. Bufalino. The only thing I would ask is for a few moments at the end to sum up very briefly my position in my own behalf.

The Chairman. You help us reach the point where we can have

that few moments.

Mr. Bufalino. All right.

The CHAIRMAN. But if you take up all of the time, we may not get there.

Mr. Bufalino. That is fair enough.

Mr. Kennedy. Mr. Bufalino, you had had these labor disputes with Mr. James, and your company had a lawsuit against Mr. James; and No. 3, you had a period before a grand jury in connection with Mr. James' activities.

Now, could you explain why it was that Mr. James, after he obtained a Teamster charter, decided to bring you into the union as a

Teamster official ?

Mr. Bufalino. Well, yes; I think I have an explanation for that.

Mr. Kennedy. All right, just give it and we will go along.

Mr. Bufalino. And one is, first of all, when the grand jury is investigating, when I went there I could certainly have been the target of the investigation, as you will be able to read and ascertain from the testimony of many of the witnesses that appeared before them.

Senator Ervin. You are not answering the question. He is asking you a question why you were brought in the union, and you are off

on a tangent talking about the grand jury investigation.

Mr. Bufalino. The thing is, Mr. Senator, actually when he mentions that they were investigating Mr. James, that is actually a half truth. I believe they might have been investigating me, and they say I was backed by gangsters.

Senator Ervin. As the chairman has pointed out awhile ago, the only way you will ever get any information is the way the courts get it, is to let the question be answered first, and then make your explanation. If you have any matters that will throw further light on it, after you have answered it, then you will be privileged to give them.

Mr. Kennedy, I didn't say the grand jury was just investigating Mr. James, Mr. Bufalino. I said that you testified against him, as

you said today. Just listen to the question and then answer it.

Mr. Bufalino. Now, the answer is that Mr. James apparently found out what I actually knew about labor law and the labor movement when he heard me testify in the circuit court. And I think that he might have reevaluated his opinion about me.

Mr. Kennedy. Now, in the circuit court—

Mr. Bufalino. In the circuit court, that is a circuit court in Michigan. It is a civil court.

Mr. Kennedy. In connection with what case?

Mr. Bufalino. Bilvin Distributing Co. v. Music Maintenance Workers Union 23814.

Mr. Kennedy. As I understand your testimony, he was so impressed with your suit against him that when he got a Teamster charter he brought you in as a fellow Teamster official?

Mr. Bufalino. Those are my assumptions, and you will have to ask

him what his real reason is.

Mr. Kennedy. I asked him and he took the fifth amendment.

Mr. Bufalino. I can't help that.

Mr. Kennedy. I understand, and now your answer is that from what you understood of it, he was so impressed with you when you were suing him, that he brought you in as a fellow Teamster official; is that right?

Mr. Bufalino. No; that is not my answer, and my answer remains as it is on the record. I think if you want to get along, I don't have

to repeat it.

Mr. Kennedy. All right. We had the testimony here before the committee that Mr. Hoffa called a meeting of the various operators in the jukebox business in the late summer or early fall of 1947 and told them that you would be the one in charge of the union.

Now, would that be correct, that they should turn to you for any

of the problems?

Mr. Bufalino. I don't have any recollection of that. There have been many statements made about that, and I have no recollection of that particular thing, but you have made certain statements to the effect that Mr. Hoffa put me into the union, and I have my copy of the minutes of the meeting, that actually elected me, and I have the shorthand notes taken at that particular time.

Mr. Kennedy. Do you deny that Mr. Hoffa had such a meeting, called a meeting of the operators and told them that you were going

to be running the union?

Mr. Bufalino. I neither admit it, and don't deny it, and tell you that I have no present recollection on that phase of this investigation.

Mr. Kennedy. Now, Mr. Hoffa's brother-in-law was the first secre-

tary-treasurer of that union?

Mr. Bufalino. I don't know that to be so, of my own knowledge.

Mr. Kennedy. Well, the documents we have already placed in the record indicate that James Langley, who is Mr. Hoffa's brother-in-law, was the first secretary-treasurer of the local.

Did you know him?

Mr. Bufalino. I know James Langley, and I don't believe I knew him at that time.

Mr. Kennedy. You did not?

Mr. Bufalino. I don't believe I did.

Mr. Kennedy. Now, did Mr. James remain on actively as head of this union?

Mr. Bufalino. James acted, or remained as head of the union, I believe, until it was around November 1930.

Mr. Kennedy. Of 1950?

Mr. Bufalino. Yes, I am 20 years behind times. But he worked in Florida, and either 1948 or 1949 there was an international convention of the Laundry Workers International Union, and I believe he was elected as an official there, and later on was transferred to Chicago, and later on resigned and I was elected in November of 1950.

Mr. Kennedy. Tell me this: Why did the union, if he was down in Florida, and then in Chicago, continue to pay his salary for a period

of several years?

Mr. Bufalino. He was still running the union, and I was the business manager, and he was still the president, and check the books, and records, and canceled checks, and receipts and letters and correspondence, and any of that, and you will find that to be so.

Mr. Kennedy. He could do that while he was running an organizational campaign in Florida, and then being a business representative

of a laundry workers union in Chicago?

Mr. Bufalino. He was doing that very thing, to my recollection. Mr. Kennedy. And so the salary was continued during all of that time; is that right!

Mr. Bufalino. Yes, sir, and he was an elected officer. Mr. Kennedy. When he resigned in November of 1950, his salary continued for some 6 months after that. Can you explain that?

Mr. Bufalino. I don't believe that to be so. I have no recollection, and I would like to see one canceled check, just one canceled check in 1951.

Mr. Kennedy. Do you know where all of the records are? Mr. Bufalino. The bank will have the photostatic copies. Mr. Kennedy. Do you have the records of the union?

Mr. Bufalino. No, I don't have.

Mr. Kennedy. What happened to the records?

Mr. Bufalino. I actually don't have those records. Mr. Kennedy. What happened to the records?

Mr. Bufalino. There they must have been destroyed. Mr. Kennedy. Who destroyed them?

Mr. Bufalino. I actually don't know. Mr. Kennedy. Did you order them?

Mr. Bufalino. I did not.

Mr. Kennedy. Did you order the records destroyed?

Mr. Bufalino. I did not.

Mr. Kennedy. Who destroyed them? Mr. Bufalino. I don't know that.

Mr. Kennedy. Where are the records?

Mr. Bufalino. Where are the records?

Mr. Kennedy. Yes. Mr. Bufalino. I already answered that.

Mr. Kennedy. What is the answer?

Mr. Bufalino. I actually don't know where those records are that you are talking about.

Mr. Kennedy. When you asked us to examine the records, it makes it a little difficult if you who are in charge of the union don't

have the records.

Mr. Bufalino. I challenge you, Mr. Senator, or Mr. Kennedy, to show me one canceled check in 1951, January or February or whatever you want, and you can get the photostatic copies actually at the bank if there are any. I don't know of any and I don't remember any.

Mr. Kennedy. We will see what we can find. Of course, as I understand, Mr. Hoffa testified before the Hoffman committee that those records had been destroyed prior to December 31, 1952. We have the quarterly reports of the union, local 985, which were made during that period of time, and they show that Mr. Jimmy James received some \$2,400 after he resigned from the union in November of 1950. He had been down in Florida during 1949 and 1950, and he was receiving his salary then, but after November of 1950 according to the quarterly reports he still received another \$2,400.

Mr. Bufalino. I actually don't have any recollection, and I don't know. Actually I don't know how they work these quarterly reports, if it actually means that the quarterly report is being filed at the end of the last quarter, which would probably cover September and Oc-

Mr. Kennedy. No, this is after November of 1950 that he received \$2,400.

Mr. Bufalino. I think the reports will speak for themselves. show me one check after I was president, signed by me, to Mr. James, like you say about 6 months, and show me one in 3 months.

Mr. Kennedy. I can't do that, because Mr. Hoffa and Mr. Bufalino

evidently had the records destroyed.

Mr. Bufalino, Not Bufalino, and I don't know about Mr. Hoffa, and I don't believe so.

Mr. Kennedy. That is what he testified to before the Hoffman grand jury, or the records were all destroyed.

Mr. Bufalino. There was no Hoffman grand jury. They acted like

one. Mr. Kennedy. The Hoffman committee, on December 31, 1952. He said all of the records were destroyed.

Do you have any explanation ?

Mr. Bufalino. I already gave you my explanation, and it is right in that record.

Mr. Kennedy, Now---

Mr. Bufalino. Excuse me one moment, and may I have a moment, please?

(The witness conferred with his counsel.)

Mr. Kennedy, Mr. Bufalino-

Mr. Bufalino. Will you wait one moment more, please?

(The witness conferred with his counsel.)

Mr. Kennedy. Mr. Chairman, we are obtaining the quarterly reports from the office. May we have permission to place those in the record? The CHAIRMAN. They may be made exhibit No. 91 for reference.

(Documents were marked "Exhibit No. 91" for reference and may be

found in the files of the select committee.)

The Chairman. If there are more than one, they may be made exhibits 91-A, B, and C, in the order of their dates.

Mr. Kennedy. Can I go ahead?

Mr. Bufalino. Yes.

Mr. Kennedy. How many members do you have in your union?

Mr. Bufalino. Gee, our records reflect it and I would say in the vicinity of 1,000 or 1,500. In the vicinity of 1,000 or 1,500, and the records would actually reflect that.

Mr. Kennedy. We have a difficult time from the records determining how many people are in the union. For instance, how many are in

your car wash division?

Mr. Bufalino. That I actually have no knowledge, or no specific information, and the records are available to you and you can make that determination more accurately.

The CHAIRMAN. Who would know? What officer would know?

And whose duty is it to know?

Mr. Bufalino. It is right in the books. The Charman. Whose duty is it to know?

Mr. Bufalino. To have a total count? I don't think anyone. The Chairman. To know how many members you have.

Mr. Bufalino. I think that the records that are sent into the international would reflect the amount that we pay per capita taxes on.

The CHAIRMAN. They would not show which was in a carwash

division or which was in a jukebox division, would they?

Mr. Bufalino. If you want to break it down, I will have to get a breakdown, or give the books to one of your men and give them a room and let them figure it out.

Mr. Kennedy. They will need a big room to figure that one out, I

will tell you that.

Mr. Bufalino. That is all right. We have big rooms.

The Chairman. Proceed.

Mr. Kennedy. How many are in your jukebox division?

Mr. Bufalino. That would have the same answer.

Mr. Kennedy. How many employers are there in the jukebox division?

Mr. Bufalino. Actually I have no knowledge on it.

Mr. Kennedy. We will try to help you on that anyway.

TESTIMONY OF ARTHUR G. KAPLAN—Resumed

Mr. Kennedy. Mr. Kaplan, have we made an examination to determine how many members of the jukebox division—

The Chairman. Mr. Kaplan's statement will be that of a witness.

He has been sworn.

Mr. Kaplan. Yes, sir, we have. We examined it on the basis of the list submitted by the union to us of their membership and of the companies.

Mr. Kennedy. What does that show as of what date?

Mr. Kaplan. As of May 1956, there were 83 of the 154 employers self-employed.

Mr. Kennedy. There are 154 in the jukebox division?

Mr. Kaplan. That is right.

Mr. Kennedy. And how many of those people are employers or self-employed?

Mr. Kaplan. Eighty-three.

Mr. Kennedy. That is more than 50 percent. They are employers? Is that right, Mr. Kaplan?

Mr. KAPLAN. That is right; yes, sir.

The CHAIRMAN. That is taken from the records of this union?

Mr. Kaplan. Yes, sir. Those lists were submitted to us.

The CHAIRMAN. By whom? Mr. KAPLAN. By Mr. Bufalino.

The CHAIRMAN. Submitted by him.

All right.

TESTIMONY OF WILLIAM E. BUFALINO, ACCOMPANIED BY COUNSEL, H. CLIFFORD ALLDER—Resumed

Mr. Kennedy. Mr. Bufalino, would you explain why it is necessary to have more than 50 percent of your jukebox division made up of employers?

Mr. Bufalino. Well, let me tell you that. First of all this is a

peculiar type of business.

Mr. Kennedy. We found that out.

Mr. Bufalino. I don't know if you found it out yet. You found out the one side of it.

Mr. Kennedy. Go ahead.

Mr. Bufalino. The other side is that the man who is the workingman—they are all workingmen. Though the man might own phonographs, he is strictly an employee and he is a workingman. They have a right to determine whether or not they want to join the union,

Now, if our union were to say to a group of individuals, who might own 12 jukeboxes or 20 jukeboxes, or any other type of coin-machine equipment, "You cannot belong to the union," actually that is exactly what the big employers want in order that they can scoop up the small companies. I say that it is spelled out completely and comprehensively in our contracts that this is a determination for the man himself.

Mr. Kennedy. What can you do for the employer?

Mr. Bufalino. I would like to answer it because being interrupted you don't get the answer. I think I am following up to the conclusion that actually, having that particular point spelled out in our agreement, if you feel that it is improper, we can get right to the crux of the thing and put it—the Senate can actually put it into legislation and, therefore, we would be able to actually spell out what the union should do.

Senator Ervin. Can you point out any provision of the Taft-Hartley law that gives a union the right to act as an agent for employers, self-employed people, people in independent businesses, who are not employees of anybody?

Mr. Bufalino. I believe the Supreme Court of the United States

recently made a ruling on that.

Senator Ervin. That is not quite an answer to my question. Can you point out anything in the Taft-Hartley law, any single provision of the Taft-Hartley law, that authorizes a union to represent selfemployed people who are not employees of anybody!

Mr. Bufalino. Those men actually, Mr. Senator, are competing in labor. They are selling their services. There is a demand for their employment in the city of Detroit, and they desire to become members

of the union. I don't think-

Senator Ervin. I will put my question to you for a third time: Can you point out any provision of the Taft-Hartley law that authorizes a union to be the representative of people who are engaged in business for themselves and are not employees of anybody except themselves?

Mr. Bufalino. Actually, I don't have the Taft-Hartley law before me. I believe that I would be able, if I can't show it to you in the Taft-Hartley law, I can show you something in decisions, court decisions, that will give us that right.

Senator Ervin. You have been organizing without finding whether

the law authorized you to organize them?

Mr. Bufalino. That is not so, Senator.

Senator Ervin. Don't you know that the Taft-Hartley law is just concerned with providing representatives for employees of some third

person?

Mr. Bufalino. Yes, I know that. But I will tell you one more thing. When a man owns 12 jukeboxes, though he may be employed for himself, he is self-employed, and we are taking Mr. Kaplan's figures, he is self-employed to the extent that he actually handles 12 jukeboxes, but he can do that in 1 day. We seek to represent him for employment elsewhere.

Senator Ervin. What about a man who owns 12 factories, 12 stores,

or 12 other businesses?

Mr. Bufalino. He is a capitalist.

Senator Ervin. And a man who owns a jukebox and operates is a capitalist also to that extent. There would be some justification for a union representing the men, the people who work for the owner and operator of the jukeboxes, but not for them.

Mr. Bufalino. Mr. Senator, if actually the Congress would legislate and say that they cannot belong to a union, they will virtually put the small businessman out of business, the small jukebox operator.

Senator Ervin. As a matter of fact, I will ask you if section 8(b) (4) (A) does not expressly forbid a union to force self-employed people into membership.

Mr. Bufalino. You actually used the word "force." You look into our contract and it gives the man an option to do as he desires, and the union membership is available to him. The word "forced" is the actual crux of the entire-

Senator Ervin. It is an unfair labor practice, is it not, under Taft-Hartley, for a union to coerce a self-employed person into union

membership?

Mr. Bufalino. That is not my opinion in the first place. Actually, I don't think that the jukebox business in the city of Detroit comes under the Taft-Hartley Act. I believe that in 1953, when the same problem arose, certain operators went into the National Labor Relations Board and they did not assume jurisdiction, from what I under-

stand. I wasn't there, but I believe you will find that to be so.

Senator Ervin. I will commend to your reading section 8(b), subsection (b)(4)(A). I think that you will find that requiring any employer or self-employed person to join any labor or employee organization is an unfair labor practice under the Taft-Hartley law.

Mr. Bufalino. If they are forced or coerced.

Senator Ervin. Or required.

Mr. Bufalino. Forced, coerced, or required. But that is not in our contract

Senator Ervin. That is not in your contact, but the evidence would indicate that it is the process by which you get him to agree to your contracts.

Mr. Bufalino. That is the plaintiff's case. The defendant's case

you haven't heard yet.

Senator Ervin. No; and at the present progress we are not likely to ever hear it.

The CHAIRMAN. Let us proceed.

Mr. Kennedy. The union, then, is there as sort of an association to help the self-employed people protect their locations?

Mr. Bufalino. No; that is not the reason.

Mr. Kennedy. It helps the self-employed people in what way, then, the union?

Mr. Bufalino. Actually, it is right in the contract how it helps.

Mr. Kennedy. How does it help them?

Mr. Bufalino. Let's take a contract and go over it.

Mr. Kennedy. Just tell me how it helps the self-employed person. Mr. Bufalino. First of all, the self-employed person we seek employment for him. A man who has 10 or 12 jukeboxes can handle them, as I say, in 1 day and he actually has 5 days left in the week, and he is used as a serviceman for other companies.

Mr. Kennedy. This is just a self-employed person who doesn't

work for anyone else.

Mr. Bufalino. If he doesn't want to belong to the union, he stays out. But I am not going to keep him out. Let the Senators keep him out.

Mr. Kennedy. But we have had testimony before this committee that the employers, people in the jukebox industry, are coerced into the union, that they have no choice because you have these stickers on, and that they have to have these stickers in order to do business in these various cities.

You are a union official, you come before the committee and say you want to testify. Tell the committee how your union is helping over 50 percent of the members of the union in the jukebox section, namely the self-employed people. How are you helping them?

Mr. Bufalino. There is a demand for the union label. There is a demand for union service. Detroit is a union town. They actually come in and seek membership. We have no right under the law to refuse them membership. If we do, actually we lend ourselves to further implications of putting the small businessman out of business.

Senator Ervin. The union is supposed to represent employees.

Mr. Bufalino. We do.

Senator Ervin. And not employers. When a union—well, a union can't serve both God and mammon. When the union undertakes to

serve both the employer and the employee, it is putting itself in a position in which it cannot act in the best interests of either one. It means that, to my mind, when they undertake to represent an employer of labor instead of confining their representation to employees, that the chances are if they are union leaders, about like other human beings, that they are putting themselves in an impossible situation where there is a conflict of interest, and they cannot adequately or

properly represent either side. Mr. Bufalino. Well, all of the facts and circumstances are going to have to be gone into. They have been gone into many, many years in Detroit, with grand juries, prosecutors, police departments, courts, and I say that they have completely gone over it. If there is anything that we are doing that is wrong, we actually belong in the courts with a right to defend ourselves. If actually the Congress feels that we are doing the wrong thing and there is no adequate law,

I say that they should enact legislation along those lines.

Senator Ervin. They have had a very fundamental principle of ethics that has been recognized in all of the generations since civilization had its origin, and that is that no man and no organization can serve two masters.

Mr. Bufalino. We could serve God and man.

Senator Ervin. But not God and mammon, and not two masters whose interests are diverse.

Mr. Bufalino. You actually don't have that particular case here,

Mr. Senator.

Senator Ervin. When you undertake to represent the owner and operator of jukeboxes and also the people that work for him, you have identically that case. You have two groups that you are undertaking to act for, whose interest are, in many cases, antagonistic to each

The Charman. Let me ask you this question: You have both the employer and his employees in your union. When it comes time to make a contract regarding their wages and working conditions, which

side do you represent as the head of the union?

Mr. Bufalino. Actually, we have the same case here if you have a particular case—and I think we ought to talk about specifics rather

than generalities.

The Charman. I am talking about specifics, just as specific as we can be. You have men who work for people who own jukeboxes. You have people who own jukeboxes who have people working for them on those boxes, both of them members of your union.

Now, when an issue comes up as to a new contract for those employees with their employers, which side are you on as the head of the union;

the employer or the worker?

Mr. Bufalino. They are both employees of a— The CHAIRMAN. They are not both employees.

Mr. Bufalino. Why aren't they, Mr. Senator? The Chairman. They are self-employed. That doesn't make them employees.

Mr. Bufalino. For instance, you have Bell's Music Co.

The CHAIRMAN. I am asking you which one of the two do you

Mr. Bufalino. The contract will have to speak for itself in every

individual case.

The Chairman. The contract can't speak for that.

Mr. Bufalino. Yes, it will.

The Chairman. You only can speak for which side your union represents.

Mr. Bufalino. I represent labor covering hours, wages, working

conditions, conditions of employment.

The Chairman. Then you don't represent the employer, yet you make him belong to the union.

Mr. Bufalino. We don't make him.

The CHAIRMAN. And you take his money. Mr. Bufalino. I respectfully submit—

The CHAIRMAN. I submit from the evidence before this committee that you try to make them belong.

Mr. Bufalino. Mr. Senator, you are coming to a conclusion and

you actually are prejudging.

The CHAIRMAN. That is based upon the evidence before this committee.

Proceed.

Mr. Bufalino. Mr. Chairman, I respectfully submit that I am being prejudged in these phases of the investigation.

The Chairman. I am not prejudging you. You are passing judgment on yourself or by implication. I asked you who you represented.

Mr. Bufalino. I answered that I represented the workingman. The Chairman. If you do represent the workingman, then there is a conflict of interest, because you are taking the money from the man

who hires him.

Mr. Bufalino. And I say if you think it is wrong, Mr. Senator——

The CHAIRMAN. It is wrong, and you know it.
Mr. Bufalino. Then you ought to put it into the laws.

The CHAIRMAN. Proceed.

Mr. Kennedy. I would like to point out this letter, dated June 20, 1950, under the signature of Mr. William Bufalino. A paragraph in the letter says:

All members of this union and their employees are urgently requested to attend a meeting of the union.

Mr. Bufalino. That certainly is a play on words. Look at the letterhead and you will see on the left-hand James, E. C. James, president, possibly, and on the right William E. Bufalino, business manager.

I must have wrote the letter. I don't even have to see it. So it is a

play on words.

Mr. Kennedy. This is what you say. This is not us. You are asking for evidence.

Mr. Bufalino. Don't indict me for it.

Mr. Kennedy (reading):

All members of this union and their employees.

Mr. Bufalino. Indict me for it.

Mr. Kennedy. You are representing employers. You are an employer association. You are not a union official, Mr. Bufalino.

Mr. Bufalino. That is what you say. My members tell me I am. I represent them. You have the minutes of the meetings. We can go through them, even in your leisure time. I will sit with the witness, though. We will record what we have to say in private, and then—

Mr. Kennedy. We will do it out here.

Mr. Bufalino. That is all right.

Senator Ervin. I started to say when you undertake to represent both employers and their employees, you are occupying just about as high an ethical plane as the lawyer who would undertake to represent both the plaintiff and the defendant in the same lawsuit.

Mr. Bufalino. No; but actually if you are to represent the plaintiff and the defendant, if the defendant—if the defendant was about to go to the gallows, you would have to help him out, and that is what happens in the instance where the small operator, if he is not permitted to go into that union, actually he will be absorbed by the big companies. That is what they wanted.

Actually, Mr. Goldman testified to certain things that they surrendered, that they surrendered their rights. I have some comments

on that.

Senator Ervin. I would not conceive that it was the duty of the prosecuting attorney to try to save a man from the gallows if it was

his duty to prosecute him and send him to the gallows.

Mr. Bufalino. No. I actually disagree with you on that, Mr. Senator. It is the duty of the prosecutor to present—I was a trial judge advocate in the general and special courts in the military service. It is his duty to present testimony and evidence for and against the defendant. He is the public servant.

Senator Ervin. In other words, it is his business to play on both sides of the case, and that is exactly what your union is doing when

it represents---

Mr. Bufalino. I said what I think the prosecutor's job is.

The Chairman. All right. Proceed.

Mr. Kennedy. Just as a matter of curiosity, are you familiar with the Meltone Music Co.?

Mr. Bufalino. If it is just a matter of curiosity, I don't intend to satisfy it. If actually it is a pertinent question, relevant to the scope of this inquiry——

Mr. Kennedy. Yes.

Mr. Bufalino. I don't believe it is up to you. I think it is up to the chairman to determine whether or not it is pertinent to the scope.

Mr. Kennedy. If you object to this question, you can state your

objection, and the Chair will pass on it.

Senator Ervin. I would suggest you strike the word "curiosity" and put the question to him.

Mr. Kennedy. Are you familiar with the Meltone Music Co.?

Mr. Bufalino. Yes, I am. Mr. Kennedy. That company is owned by Mr. Vincent Meli?

Mr. Bufalino. I believe it is.

Mr. Kennedy. Are employees of that company members of the

Mr. Bufalino. No; they are not.

Mr. Kennedy. Mr. Vincent Meli's employees are not members of your union?

Mr. Bufalino. No.

Mr. Kennedy. What about the White Music Co.?

Mr. Bufalino. They all need explanation, but it is all right, go ahead, if you want to rush me.

Mr. Kennedy. If you want to explain, go ahead and explain. You haven't been bashful about giving explanations. I thought you answered.

Mr. Bufalino. Actually, if Vincent Meli had his employees in my union then I would actually serve the charges that have been lodged nationally, that the union goes out to protect the location owners of their friends and their relatives, and uses that as whip in order to keep their friends and promote the locations of their relatives. I actually was tried in a criminal court for that very thing, and the prosecution had to dismiss Mr. Meli because they actually felt that they actually could not show any instances of wrongdoing.

I say that we don't have to have his employees in when his employees

actually dropped out of our union at that particular time.

Mr. Kennedy. That is your explanation?

Mr. Bufalino. And when Mr. Kaplan was there, he didn't have to find this out. I told him, "You wouldn't find a contract in there for Meltone Music Co.," and I gave him this type of an answer.

Mr. Kennedy. Have you had any association with Meltone Music

Co., yourself?

Mr. Bufalino. Vincent Meli is my wife's brother; he is my brother-in-law. I don't know; maybe in 1946 I might have. I believe 1946. I don't believe so, no. No; I believe the answer is "No."

Mr. Kennedy. Mr. Chairman, could we have a member of the staff

identify this document?

TESTIMONY OF WALTER R. MAY-Resumed

The Chairman. Mr. May, I present to you a document which appears to be a ledger sheet or an account of the Michigan Hospital Service, Michigan Medical Service, Meltone Music Co., of Detroit, Mich. I ask you to examine it. It is composed of two pages. I ask you to examine it and state what it is.

Mr. May. Mr. Chairman----

Mr. Bufalino. I can tell you exactly what it is now. Let me tell you; there is nothing to get excited about.

The Chairman. Just a moment. Just a minute.

Proceed

Mr. May. Mr. Chairman, these are bills submitted to Meltone Music Co., by the Michigan Hospital Service. They were obtained from the files of Vincent Meli, of Meltone Music. They are dated—one is dated December 1, 1952; the other November 1, 1952. It lists a number of people associated with Meltone Music, and heading the list is William E. Bufalino.

The CHARMAN. He is at the top of the list?

Mr. May. Yes, sir.

The Charman. What does it say? What is it about? What kind

of a bill or statement is it?

Mr. May. I have spoken with representatives of the Michigan Hospital Service, and they explained that Mr. William E. Bufalino participated in the medical and surgical plan. This plan is only for employers and employees of the company.

The Chairman. Of what company?

Mr. May. Meltone Music Co.

The Chairman. Those documents may be made exhibit No. 92.

(Documents referred to were marked "Exhibit 92" for reference and may be found in the files of the select committee.)

TESTIMONY OF WILLIAM E. BUFALINO, ACCOMPANIED BY COUNSEL, H. CLIFFORD ALLDER—Resumed

The Chairman. Now, Mr. Bufalino, you may make explanation

of whether you have anything to do with it.

Mr. Bufalino. With the company? Actually, this is a Blue Cross plan that if you actually want to get into the Blue Cross, to take advantage of their hospitalization-

The Chairman. As employees of that company.

Mr. Bufalino. So I was in it, and my children, when they were born, possibly their hospitalization was paid by the Blue Cross. I paid my premiums. If they were paid up, I must have gotten paid. The Chairman. This is not Blue Cross.

Mr. Bufalino. I believe it is.

Mr. Kennedy. But only for the employer and employees of the Meltone Music Co.

The Chairman. Were you an employee of that company? Mr. Bufalino. I don't believe I was; no. The records and books will reflect that I was not.

The Chairman. This shows that you were.

Mr. Bufalino. Well, that is wrong.

Senator Ervin. In other words, you were getting the benefit of a Blue Cross plan of hospital insurance upon the representation that you were connected with the Meltone Music Co.?

Mr. Bufalino. At that time, Mr. Senator, I wasn't fortunate enough

to be under the teamsters welfare plan.

Senator Ervin. But, anyway, you were getting, according to your own statements, hospital insurance upon a representation that you were connected with this music company, when, in fact, according to your evidence, you had no connection whatever with it.

Mr. Bufalino. The answer is there. The papers are there. What-

ever implication you want to put on it is all right with me.

Senator Ervin. I don't know any other I can put on it, in view of your testimony.

Mr. Bufalino. I was not an employee of Meltone Machine Co.

Senator Ervin. In other words, Meltone Music Co. at least, in getting insurance for your benefit on the theory that you are an employee or an employer connected with the company, when there is not any truth in the statement that you say, that you were connected with it, then you are getting the benefit of insurance by a false pretense.

Mr. Bufalino. Well, there should be a law on the books for in-

cluding it and putting everybody in jail that does it.

Senator Ervin. Mr. Bufalino, do you contend there should be a law on the books to compel people not only to abide with the law but to abide with plain, ethical principles?

Mr. Bufalino. I have those ethics and I live by them.

Senator Ervin. Do you think that a man ought not to be bound by any ethical principles unless there is a law that threatens to put him in jail unless he does so?

Mr. Bufalino. No; I have moral, legal, and ethical principles, and I live by all of them, and religious, basic fundamental principles.

Mr. Kennedy. Where is the Meltone Music Co. located?

Mr. Bufalino. On Grand River, in Detroit.

Mr. Kennedy. On Grand River?

Mr. Bufalino. Yes, sir. Mr. Kennedy. Do you have anything to do with the property on which it is located?

Mr. Bufalino, I did.

Mr. Kennedy. When did you have? Mr. Bufalino. My wife did or I did. Mr. Kennedy. Up to what time?

Mr. Bufalino. Maybe 6 months ago, Melody Realty.

Mr. Kennedy. Melody Realty, and you owned the property then? Mr. Bufalino. I say I believe it was a corporation, and my wife was a 25-percent holder and we lost money on the whole thing, and lost about \$3,000 or \$4,000.

Mr. Kennedy. Who else was in the company with your wife? Mr. Bufalino. Vincent Meli, her brother, and a Mr. Ackerman.

Mr. Kennedy. Mr. who? Mr. Bufalino. Ackerman.

Mr. Kennedy. Irving Ackerman? Mr. Bufalino. An attorney in Detroit.

Mr. Kennedy. Mr. Ackerman, was he the attorney for the associa-

tion of jukebox owners and operators?

Mr. Bufalino. Yes, he was not only the attorney, but he turned the contract down when we tried to get a negotiation to negotiate a contract in 1950 when he was representing them, and they wouldn't accept him and we had our trouble with that owners' association, plenty of trouble. At that time they had only one contract and it was I who inaugurated the individual contracts and we have hundreds.

Mr. Kennedy. So the attorney for the association, the operators,

was a business partner of your wife's?

Mr. Bufalino. I don't believe he was then, and I don't believe he was the attorney. He was formerly an attorney for the owners' association, and later on he became a business partner of Vincent Meli and to that extent they all lost money, and my wife had a 25percent interest in it.

Mr. Kennedy. Now, did this company take any rent from the

Meltone Music Co.?

Mr. Bufalino. I will tell you. I had nothing to do with those

books and records, and I don't know that.

Mr. Kennedy. Maybe the explanation as to why they weren't making money is the fact that they accepted no rent from Meltone for 20 months, according to the records.

Mr. Bufalino. Twenty months?

Mr. Kennedy. Yes. Mr. Bufalino. Is that right?

Mr. Kennedy. That is right.
Mr. Bufalino. That is something. By golly, that is something.

Mr. Kennedy. What about the White Music Co.?

Mr. Bufalino. What about it?

Mr. Kennedy. Are you familiar with that company?

Mr. Bufalino. I believe we have a contract with that company. Mr. Kennedy. That is a partnership of Mr. Vincent Meli and Mr. James Robeson; is that right?

Mr. Bufalino. I don't know that, of my own knowledge. I know James Robeson is some way interested in that, and we have a contract on them.

Mr. Kennedy. And there were three employees of that company,

and do you know how many are in your union?

Mr. Bufalino. No, all of the employers. You probably are going to say there is only one or there is only one.

Mr. Kennedy. That is just what I am going to say.

Mr. Bufalino. You know, these owners are all like that.

Mr. Kennedy, Vincent Meli? Mr. Bufalino. Those employers are like that. They will cheat on you, and they will keep members out of the union, and they are working for them and they don't put them in, and actually it only goes to prove the point that if they are honest they would actually put in all of their employees and there wouldn't be 50 percent of employers, and you would have many more employees, and they are in the field and they should be organized.

Mr. Kennedy. So now I understand it, you said your brother-in-

law is a cheat; is that right? Vincent Meli?

Mr. Bufalino. I didn't say that.

Mr. Kennedy. You said he is a cheat. Mr. Bufalino. I will tell you one thing about Vincent Meli, and I know plenty about Vincent Meli, and I think I ought to tell you about him. Actually, Vincent—

The CHAIRMAN. What is that you said about their being dishonest? Mr. Bufalino. No. I said I made a categorical statement that em-

ployers in the coin-machine field actually-

The Chairman. You used it as an illustration.

Mr. Bufalino. There is no implication that I said Vincent Meli is a cheat.

Mr. Kennedy. That is what you said.

Mr. Bufalino. Well, then you can strike that out, because it is not so, and you know he is a war veteran, that he went into the Battle of the Bulge and he was cleared overseas for top secret information, and he was supposed to have jumped off before D-day and got his feet frozen in the Battle of the Bulge there, and now you are talking about Vincent Meli.

The Chairman. Having been a veteran doesn't give a fellow a

Mr. Bufalino. I will tell you what it does. It shows that he has got a background, and that he fights for his country and that is right.

Mr. Kennedy. I am shocked at your calling him a cheat.

Mr. Bufalino. I just wanted to clarify this point. It is in error. Mr. Kennedy. Now, on the car wash, let me ask you about that. According to the testimony of Mr. Lazewski, the wage scale after he signed a contract with you, his wage scale went down for the employees. Can you explain that to ne?

Mr. Bufalino. I am going to tell you about Mr. Lazewski, all about him. Mr. Lazewski came here and put his oar in the water.

Mr. Kennedy. What does that mean?

Mr. Bufalino. Against me. And he did all of this talking and you were actually from what I understand questioning him, a man on probation for nonpayment of wages and was ordered to make full restitution in recorder's court in Detroit only in January—January 26, 1959.

Senator Ervin. You never have answered the question.

Mr. Bufalino. I am going to tell you about the background and motives of this witness.

Senator Ervin. Mr. Bufalino, you don't answer questions. You go off on an oratorical flight on some matters that are really in most

cases not even germane to the question.

Mr. Bufalino. Isn't the contract there, and it ought to be made a part of the record. The contract will speak for itself and actually I don't believe that in comparing the contract with this testimony you will find that to be so. I say here that the complaint—this is not on one complaint, this is 1 of 13 complaints that Lazewski had in the last 2 years according to the Michigan Department of Labor.

Senator Ervin. If you reach a convenient stopping point I would

like to have the question asked and see what it is.

Mr. Bufalino. I will.

(The question was read by the reporter.)

Senator Envin. You were asked the question whether you had explanation as to why the wage scale went down. You go to talking about 13 complaints against somebody that has no relation whatever to that matter.

Mr. Bufalino. Actually, Mr. Senator, actually what it does, the first part of his question is about Mr. Lazewski, and when he adorned this witness seat he actually was under oath, and actually——

Senator Ervin. Now you are going off on another tangent. He is not asking you about that. He is asking you about the question, whether or not after you got control, or these people joined your

union, whether their wage scale went down.

Mr. Bufalino. I say it did not. There is a provision in that contract, I believe in that contract as we have in most all of our contracts, that no employee shall suffer a reduction in pay or wages of any kind or conditions of employment as a result of the signing of this agreement.

And furthermore, Mr. Senator, I believe if my recollection serves me correctly, that that individual contract of that company is signed by the workers themselves. In other words, when Bill Bufalino signs a contract for the union, he doesn't do it, but we attempt in every instance wherever possible to get the majority of the employees to sign that contract accepting it.

So therefore, when we did, he must be in error.

Schator Ervin. Your answer to the question, when you strip it of all of the verbs and nouns and pronouns and adverbs and adjectives, is that the wages of those who were in your union, who joined your union, were not reduced. Is that what you say?

Mr. Bufalino. I told you to my knowledge they were not reduced,

but what Mr. Lazewski actually did-

Senator Ervin. Wait a minute. I am not asking you about Mr. Lazewski and I don't care about that. I am asking you if you are now stating upon oath that, after your union became the representative of these people in the car-wash business, that their wages were

not reduced. You are swearing that positively, are you?

Mr. Bufalino. I won't tell you anything positively. I will tell you, I have seen many people get condemned, innocent people get condemned, Mr. Senator, for making positive statements that they had no present recollection on, at the particular time when they had no intention to do any wrong, and they have been convicted of committing a crime which in most instances, in many instances, they are not guilty of.

I would like to have two copies made or entered into this record of newspaper clippings about this particular case. I think that the

Senators would be interested.

The Chairman. Send the copies up to the desk for the Chair's in-

spection and proceed.

Senator Ervin. Are you now telling us that you didn't within the last 5 minues make a positive statement that after your union became the representative of these car wash people, that their wages were not reduced?

Mr. Bufalino. My statement—

Senator Ervin. Are you denying that you made a positive statement within the last 5 minutes that these people did not have their wages reduced after your union became their bargaining agent?

Mr. Bufalino. Mr. Senator, that record is going to speak for itself, and I am not going to categorize my testimony. I don't believe I

should be required to.

Senator Ervin. Well, I cannot understand why you make what I conceive to be a positive statement one minute and then the next minute you say you do not make positive statements.

Mr. Bufalino. I give you my very best present recollection.

Senator Ervin. You have testified on this both ways now as to your recollection. Which way is your recollection, your best recollection?

Mr. Bufalino. It is right in the record. I have a clear recollection, and I think in actually reviewing the transcript of this testimony you will be able to see, and the Senators in the Senate will be able to see, the type of a background that I have, and the type of a background that Lazewski has, because the credibility of that witness is in issue.

Senator Ervin. When I review your testimony this morning I am going to be reminded of Aesop's fable where this man got lost in the forest, and the Satyros, a strange mythological animal, found him, and he started to take him to his place of abode so he would be warm and not freeze to death. The man blew on his hands and the Satyros asked him why he was blowing on his hands, and he said to warm his hands. When he had gotten him into his home and set a meal before him, some porridge, he blew on the porridge. The Satyros asked him why he was blowing on the porridge, and he said it was to cool the porridge. The Satyros said, "Get out of my place. I am not going to have a man that blows hot and cold with the same breath."

I think that is what you are doing.

Mr. Bufalino. Mr. Senator, I will tell you what you should do, to distinguish between the fable and this particular case, because

when you are reading that, if you want any clarification or amplification, I will send you all the letters or information that actually you might need to clarify it for you.

Senator Ervin. The trouble is that if the information you send is in the form of your testimony, it wouldn't clarify anything. It will

confuse me and the record more.

Let me ask you this question, and it is a simple question: According to your best recollection. I will put it that way, were the wages of these people increased or decreased over what they had been after your union became their bargaining agent?

Mr. Bufalino. I believe they were increased.

Senator Ervin. But you do not know?

Mr. Bufalino. I believe I know. The contract—

Senator Ervin. Then why do you not make a positive statement if

you know? What was it?

Mr. Bufalino. Mr. Senator, it is so simple. Your investigators have checked. Why do we not actually use that as a test case? Then what we could do is get the conditions as they existed before the union went in, the existence as they went after, and I am willing to cooperate with any of your committee to draw up a chart, graphs or whatever you want, and give you a full, complete, and comprehensive answer, put it in the file and make it a part of this record.

Senator Ervin. I would not want you to go to all that trouble about the graph. I am just asking you a simple question: When your union became a bargaining agent for these people, normally they would expect your union to make some efforts to get their wages increased rather than decreased. The point I am making is you tell me you do not even know whether after your union came to represent

them, whether their wages were increased or decreased.

Mr. Bufalino. I was of the opinion at that time that they were increased. I am still of that opinion.

Senator Ervin. But you have no knowledge on the subject?

Mr. Bufalino. I have contracts and files. I have grievances and everything else. I have them right in the file.

Senator Ervin. But still you have no knowledge of whether or not your union did render any service to these people in that respect?

Mr. Bufalino. We have rendered plenty of service to the employees of the Hack-Wax Auto Wash. Actually, that was one of his defenses, I understand, in the criminal case.

Senator Ervin. Frankly, if you do not know anything more than that about what happened to the people that you work for, I cannot see what value they got out of paying initiation fees and dues to have your union for their bargaining agent.

your union for their bargaining agent.

Mr. Bufalino. Mr. Senator, those employees know what Bill Bufalino does. I walked those picket lines. I have walked hundreds of picket lines. I organize them. I was on that picket line. I have been on plenty of them. I organize them. I get them signed up. In most instances I actually am there.

Senator Ervin. Yet after you get them signed up, according to your own statement, you do not know whether the wages are increased or

decreased.

Mr. Bufalino. I negotiate the contracts, and the files, the records, and the contracts speak for themselves.

Mr. Kennedy. Mr. Senator, the testimony has been specific by Mr. Lazewski as to what happened in the particular contract. He testified that formerly they were being paid, for instance, \$45 a week for the first buffer for 6 days a week, either \$6 or \$7, based on 65 cars. Afterward they got \$50 under the contract and had to complete 75 cars. Based on how much more they would get per car, his testimony, based on fact and based on the contract, was that the union scale went down. It is the same thing as to some 10 classifications. One classification went up. One or two remained the same, and eight classifications went That is factual testimony that has been given before this committee.

Mr. Bufalino. That is, therefore, proof of the fact-

Senator Ervin. It is just this: You come here and you say you are not going to give us any positive statement about how that was.

Mr. Bufalino. But that is only proof of the fact, as Mr. Kennedy said it is proof of the fact, that Mr. Lazewski had been exploiting them with long hours, low wages, deplorable conditions of employment, and laws should be made, and I am going to request this committee-

Mr. Kennedy. You made it worse.

Mr. Bufalino. You actually don't know that to be so, Mr. Kennedy. Senator Ervin. You said you cannot tell us because you will make no positive statement about it.

Mr. Bufalino. I will give you my present recollection and amplify

it with documents and contracts.

Senator Ervin. Frankly, if your recollection is not positive enough to be able to constitute a recollection of a fact it is of no value to us.

Mr. Bufalino. It isn't? Senator Ervin. No.

Mr. Bufalino. Then I don't belong here, Mr. Senator. Mr. Kennedy. Do you ever ask the members of the car wash to union meetings?

Mr. Bufalino. What was that?

Mr. Kennedy. Do you invite the people who are in your car wash division to union meetings?

Mr. Bufalino. I believe our workers-

Mr. Kennedy. Just answer. Do you or do you not?

Mr. Bufalino. You are not going to get a pos—you are not going to get a yes or no answer to a general question. You can't get it.

Mr. Kennedy. I think that is very specific. Do you, Mr. Bufalino,

or the union, ask the members of the carwash division to union meetings?

I can't get any more specific than that.

Mr. Bufalino. I will ask the Chair to rule on whether I do or whether my business agents do.

The CHAIRMAN. I do not know whether you do or do not. I

cannot rule.

Can you not testify that you do or do not?

Mr. Bufalino. And then—

The CHAIRMAN. And then nothing. Do you or do you not?

Mr. Bufalino. My business agents, I believe—

The CHAIRMAN. Do you or do you not?

Mr. Bufalino. Directly?

The CHAIRMAN. Yes.

Mr. Bufalino. I possibly get the message out.

The CHAIRMAN. Not possibly. Do you or do you not?

Mr. Bufalino. I get the messages out.

The CHAIRMAN. You do?

Mr. Bufalino. I see to it that the messages are brought to the

The CHAIRMAN. How do you see that the messages are brought to

the workers?

Mr. Bufalino. A written document is made up, posted on bulletin board, and then phone calls are made by the business agents and letters are sent out.

The CHAIRMAN. Inviting the carwash union members?

Mr. Bufalino. Inviting all members. In fact, I will tell you—

The CHAIRMAN. I mean inviting them.

Mr. Bufalino. Let me tell you about the union. What we have is a weekly—every Wednesday night we have a standard meeting at 7 o'clock every Wednesday night.

The CHAIRMAN. You are testifying that they are invited?

Mr. Bufalino. There is a grievance and contract instruction section.

The Chairman. I don't care if it is a grievance meeting or a commendation meeting.

Mr. Bufalino. We have them every Wednesday night.

The Charman. Do you ask these members to attend or give them notice?

Mr. Bufalino. I see to it that they get notice.

The CHAIRMAN. Period.

Why did you not say that to begin with?

Mr. Bufalino. But if I answered no, the headlines in Detroit will probably be "Bufalino admits that he did not even notify the workers."

The Chairman. All you had to do was to say "yes" and you would not have answered "no." It is just that simple.

Mr. Bufalino. Say "yes" and get two witnesses to say "no" and

you are in for perjury.

Mr. Kennedy. How does the notice go out? Do you send an individual notice to the member of the carwash division?

Mr. Bufalino. I believe there is a general statement sent out to all of the auto washers.

Mr. Kennedy. How do they receive notification?

Mr. Bufalino. The statement is put on the bulletin board, and by phone call.

Mr. Kennedy. What bulletin board?

Mr. Bufalino. In wash racks or wherever—posted in a conspicuous place.

Mr. Kennedy. Notice of every meeting is posted in all the car washes?

Mr. Bufalino. I have no knowledge.

Mr. Kennedy. You are head of the local.

Mr. Bufalino. Do you think I should go to all the car washers? Mr. Kennedy. I think you should start being interested in the employees.

Mr. Bufalino. I am.

Mr. Kennedy. Mrs. Anderson testified before the committee that she had never received any benefit from the union, never received any notice of the union, any notice of union meetings.

Mr. Bufalino. Actually on Mrs. Anderson-

Mr. Kennedy. Has she received notification of a union meeting? Mr. Bufalino. I don't know that of my own knowledge, whether

she did or did not. Actually, Mrs. Anderson says she worked for 70 hours. I have a copy of the compiled laws of the State of Michigan saying that a female employee should not work in excess of it. There is a provision in our contract saying that no female employee should

be compelled to work in a certain number of hours.

Mr. Kennedy. How many hours? Mr. Bufalino. Fifty-five, I believe. Mr. Kennedy. How many hours?

Mr. Bufalino. What hours?
Mr. Kennedy. How many hours does your contract say?

Mr. Bufalino. It doesn't say.

Mr. Kennedy. You just said it said.

Mr. Bufalino. All right. It says the—it actually says—do you want to read it? I will give you the actual provision.

Mr. Kennedy. Just tell me what it says.

Mr. Bufalino. It says not beyond the hours prohibited by the State

Mr. Kennedy. All right. She can't work more than 70 hours.

Mr. Bufalino. It doesn't say 70 hours. I think it is 55 hours. believe that is what it is. You had the employer here. Why did you not report him to the Attorney General's office or the Commissioner of Labor?

Mr. Kennedy. You are supposed to be caring for the employees. You are supposed to be representing the employees. All you are giving them is what they are already entitled to under the law, Mr. Bufalino.

Mr. Bufalino. That and more, because she testified also that she did not report that to me or to the union.

Mr. Kennedy. Do you need a congressional group to tell you what is going on in Detroit among the members of your own union?

Mr. Bufalino. No; they could not tell me. They couldn't tell me.

Mr. Kennedy. Do you have the names and addresses of all the members of the carwash in your union?

Mr. Bufalino. Yes; I believe we do. Mr. Kennedy. You do?

Mr. Bufalino. I believe we do.

Mr. Kennedy. Who keeps those records?

Mr. Bufalino. I believe they are in the office.
Mr. Kennedy. "I believe." Do you know that you do?

Mr. Bufalino. I believe so.

Mr. Kennedy. Do you know that you do?

Mr. Bufalino. All of them? I don't know that they are all there. I believe that the records are there; yes. That is what my belief is.

Mr. Kennedy. Have you ever looked at them? Have you ever examined them?

Mr. Bufalino. Sure, I examined them. I don't memorize them.

Mr. Kennedy. Who keeps the financial records of your union?

Mr. Bufalino. The financial records? Cash disbursements? They The checks come in and the dues deduction as per the contracts—dues deduction authorizations as per the contracts—and they are supposed to be recorded as they are, the money deposited with the accountant that handles them, with the secretary.

Mr. Kennedy. Read the question.

(The question was read by the reporter.)

The Chairman. Who keeps the financial records of your union?

Mr. Bufalino. The books are in the office.

The Chairman. Somebody has to keep them. Who keeps them? Who puts the entries in them?

Mr. Bufalino. My secretary does. The CHAIRMAN. What is her name? Mr. Bufalino. Mrs. Eleanor Petz.

The CHAIRMAN. Why did you not say so in the beginning? Mr. Kennedy. Mr. Bufalino, the dues come in, for instance, in the carwash division, and then Mrs. Petz makes the entries in the books? Mr. Bufalino. The dues come in, yes; and the entries are made;

that is what I believe.

Mr. Kennedy. Would you examine this document?

The CHAIRMAN. The Chair presents to you a document dated the 14th of March 1959. It appears to be a photostatic copy of a handwritten document. There are two of them. There are three of them, I believe. One is dues-deduction report and the other contains a list of names of employees employed during the current month of January—no, the current month at Tony's autowash. It is attached to the dues-deduction report. The other is a photostatic copy of some blank form. There are three of them attached together. I present them to you and ask you to examine them and state if you identify

(The documents were handed to the witness.)

Mr. Bufalino. I have never—I don't believe I have ever seen these, but these are the types of forms that are sent in-

Mr. Kennedy. That is all I want to find out. For instance, Mrs.

Petz could take that form and make entries in the books then?

Mr. Bufalino. No.

The CHAIRMAN. They may be made exhibit 93 in bulk.

(The documents referred to were marked "Exhibit 93" for reference, and may be found in the files of the select committee.)

Mr. Bufalino. I don't believe that.

Mr. Kenneby. How would she do that ?

Mr. Bufalino. I believe Mr. Welsh takes these and makes a compilation of them and puts them in his book.

Mr. Kennedy. Who makes the entry in the book?

Mr. Bufalino. In the final ledger, the disbursements, I think the big ledgers, Mrs. Petz would, but these are put in in some kind of a folder; and all saved by Mr. Welsh.

Mr. Kennedy. Would you identify this book?

The Chairman. The Chair presents to you a book. It has no title on the outside, but on the inside it says International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers Day Book, local 985, January 1 to July 31, from 1957 to 1957.

Examine that and state if you identify that record or document.

(A document was handed to the witness.)

Mr. Bufalino. I have examined it and it is exactly what you said. The Chairman. What is it? Is that one of the records of your

Mr. Bufalino. Yes.

The Chairman. One of the financial records of your union!

Mr. Bufalino. Yes. This is a record.

The CHAIRMAN. That may be made exhibit 94 for reference.

(The document referred to was marked "Exhibit No. 94" for reference, and may be found in the files of the Select Labor Committee.)

Mr. Bufalino. Do we get this back?

The CHAIRMAN. Yes, sir. We are going to let you withdraw it some day and have it back.

Mr. Kennedy. The entries in his books are true and accurate to the best of your knowledge?

Mr. Bufalino. Yes.

Mr. Kennedy. Mrs. Petz is here, is she?

Mr. Bufalino. Yes, she is.

Mr. Kennedy. Mr. Chairman, I would like to call Mr. Bellino.

The Chairman. You do solemnly swear the evidence you shall give before this select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Bellino. I do. Mr. Allder. May I be excused, Mr. Chairman, for about 5 minutes? I have an inquiry from a witness in front of the grand jury.

The Chairman. Yes; you may be excused. We will not interrogate your client while you are absent.

TESTIMONY OF CARMINE S. BELLINO

Mr. Kennedy. Mr. Bellino, you made a study of the books and records of the carwash section of the local 985?

Mr. Bellino. Yes, sir.

Mr. Kennedy. And you conducted some interviews, people under your direction have conducted some interviews and received some records from the carwash division, from carwash racks in the city of

Mr. Bellino. Yes, sir.

Mr. Kennedy. Would you tell us what the records show in connection with the reporting of the funds and the moneys that came to the carwash division of local 985.

Mr. Chairman, I might say before we begin this testimony, that this is one of the most important matters that we feel we are going into, and we would like to try to get through it all. It is quite extensive.

The Chairman. The Chair is going to have to close at 12 o'clock

sharp.

Mr. Kennedy. I think you will see the importance of Mr. Bellino's testimony in connection with the reports and the books and records of local 985.

Mr. Bufalino. Mr. Chairman, I have one point of order.

The CHAIRMAN. Quickly, please.

Mr. Bufalino. It will be a quick one.

By permitting him to go there, it certainly is not going to permit me much time between now and 12 o'clock, I can see the clock in the distance there. It is 11:31. I have 29 minutes between that and for me to present my complete defense.

The CHAIRMAN. I said you could come back someday.

Mr. Kennedy. This is right from your own books and records.

The Chairman. Proceed, Mr. Bellino.

Mr. Bellino. We compared it—

Mr. Kennedy. Give some examples of how it is reported in here. The CHAIRMAN. Proceed.

Mr. Bellino. We compared the records of Carl's Auto Wash where they listed all the employees for the month, showing the number of days that they worked. They were required to pay, in 1956, the record

that I have in front of me shows, 10 cents a day to the union.

For instance, Carl's Auto Wash, in April of 1956, had a total of 393 working days at 10 cents a day. That would have been \$39.30 to pay to the union. However, they paid actually \$31.20 to the union. I should say they paid \$35.30 to the union. I am sorry; \$31.20 is what they paid to the union, and the union records, instead of reporting the names of the individuals as listed by the employer in their report to the union, merely selected a representative number at the rate of \$4 a month, which would aggregate \$31.20.

For instance, Willie Logan worked 25 days. At 10 cents a day there would have been deducted from him \$2.50. The union records

showed he paid \$4 dues.

Leon Johnson worked 6 days. That would have been 60 cents. The union records show that he paid \$4 dues. They would go along in their books. You will find \$4 for each one until the last item, which would be the odd amount. For instance, in this case \$31.20, the odd amount would be \$3.20. They gave credit to that.

The Charman. What did they do, fail to list the number of them

as members?

Mr. Bellino. Yes, sir.

The CHAIRMAN. In other words, they failed to give the number of them that pay the 10 cents a day any credit whatsoever for having paid, and simply just take enough names at \$4, plus one fraction, to make out whatever they collected?

Mr. Bellino. Yes, sir.

The Chairman. That is to try to show that they are paying \$64 a month dues?

Mr. Bellino. Yes. sir.

The Chairman. But they leave off and omit a number of names of employees who presumably are members of the union, at least who are having to pay dues?

Mr. Bellino. Yes, sir.

The CHAIRMAN. And show no record of them whatsoever?

Mr. Bellino. Yes, sir.

The Chairman. Thus when they report to the international and pay a per capita dues tax to the international, they don't pay on all the members, but only pay on enough of them at \$4 per head to the international.

Mr. Bellino. That is correct.

The Chairman. In other words, there is a fraud being perpetrated on the international or on the people who work, by taking money from them as dues, and not carrying them as members!

Mr. Bellino. Yes, sir. I would say these records are completely

Mr. Kennedy. It is a fraud completely on the employees. might be a fraud on the international, but it is a fraud on the employees who pay these dues.

Mr. Bellino. Yes, sir. They would not be entitled to any benefit

whatsoever.

Mr. Kennedy. These people are not even being carried on the union books and records.

Mr. Bellino. That is right.

Mr. Kennedy. All this union is, as far as the carwash division, their biggest division, all it is is a collection agency.

Mr. Bellino. Yes, sir.

Mr. Kennedy. Mr. Bellino, doesn't it show that that is true in every case, that they recorded \$4 for each individual?

Mr. Bellino. Yes, sir.

Mr. Kennedy. And then they summarize it at the bottom for the odd amount?

Mr. Bellino. That is correct.

Mr. Kennedy. You gave one example, but in the books for the last 4 years it is the same situation?

Mr. Bellino. Yes, sir.

Mr. Kennedy. When the dues are altered from 10 cents to 15 cents.

they remained the same, is that right?

Mr. Bellino. It was \$3 prior thereto, and then, according to the minutes, I understand the dues were to continue at 10 cents a day, but they then reported \$4, even though 10 cents a day, the maximum, would be \$3.10 a month. They showed at that time \$3. Then the next year, when they were supposed to continue at 10 cents a day, they showed it at \$4. Until it was raised, I believe, in 1958, that is, to \$5.

Mr. Kennedy. So a lot of these people who have been paying union dues, and whom Mr. Bufalino and his union said that they represented, their names never appear on the books or records as having

paid their union dues?

Mr. Bellino. That is correct.

In addition, we find that Paul's Auto Wash, for instance, in June of 1957, I believe it was, on June 22 he paid not only the full month of June, dues for that month, but also the month of July. This is all being paid in advance, just a flat amount of \$100 or \$105.

Mr. Kennedy. So in this particular auto wash-again the evidence that this is nothing but a fraud and a racket—they were paying

their dues in advance?

Mr. Bellino. That is right.

Mr. Kennedy. That was for June and July and the union accepted them?

Mr. Bellino. That is right.

Mr. Kennedy. Without even knowing who was going to be working there during June and July? Mr. Bellino. That is correct.

Mr. Kennedy. Mr. Chairman, this is a worse situation, even, than we found when we investigated the operations of the union of Johnny Dioguardi in New York.

Mr. Bufalino. May I have a point of order? He is injecting

statements into this record.

The Chairman. Just a moment.

Mr. Bufalino. It will not do me any good, after he finishes, Mr.

Mr. Kennedy. Here, Mr. Chairman, these employees were receiving \$25 a week for a 70-hour week in some cases, and in New York, when we investigated the operations of Johnny Dioguardi and his fellow so-called unionists, they were at least receiving \$40 or \$41 a week for a 40-hour week.

The Chairman. Now, your point of order?
Mr. Bufalino. I retract my point of order now. It does not do me any good. He has made his headlines. He has the words "phony" in there, "fraud," "collection agency," "racket."

The CHAIRMAN. Have you any better word for it?

Mr. Bufalino. Yes.

The CHAIRMAN. What?

Mr. Bufalino. It is a lawful labor objective we are pursuing, and we are interested in the welfare of the workers, and, actually, the money is all reported, and the records are there to speak for themselves.

The CHAIRMAN. If it is lawful, it ought to be made unlawful.

Mr. Bufalino. Then you ought to legislate.

The Chairman. It ought to be made unlawful to treat human

beings as these workers are being treated.

Mr. Bufalino. This is in the hands of the Senators and Congressmen and for that reason they should make their legislation.

The CHAIRMAN. Proceed.

Mr. Bufalino. I suggest also when you are doing it, you ask someone's file for a minimum wage-and-hour law for \$1.25.

The CHAIRMAN. We have your file here. Just a moment. When I

talk, I expect you to stop and hear me.

Proceed.

Mr. Kennedy. Mr. Chairman, we have an analysis made of this situation by one of our investigators based on these facts.

The CHAIRMAN. Are there any other questions of Mr. Bellino?

Mr. Bellino. On Paul's, 1956, June 1956. It is not 1957. Mr. Kennedy. Is the record clear on what the situation is?

The CHAIRMAN. As far as I know, it is.

Mr. Kennedy. Mr. Constandy. The Chairman. Proceed.

TESTIMONY OF JOHN P. CONSTANDY—Resumed

Mr. Kennedy. On the question, Mr. Constandy, of these moneys that are paid, which constitute in fact dues to the union, would you give us what the situation is in connection with that?

Mr. Constandy. Yes. As the examples were given by Mr. Bellino, the union receipts the income under the account of the employer and does not maintain records apportioning these payments to the specific union members themselves who made them on a month-to-month basis.

Mr. Kennedy. So it is under the employer. These dues as they come in are under the employer, and then these names are taken at random and filed?

Mr. Constandy. That is correct.

Mr. Kennedy. That is a different situation than if they were prop-

erly to be called dues?

Mr. Constandy. It would normally be expected that upon the receipt of the dues payments by the union that total amount would be apportioned to the employees who were involved. Another lack of relationship between the payments made by the employers is that in the periods the dues were payable at a daily rate of 10 cents, for a maximum of \$3.10 in a 31-day month, where the employee worked the full 31 days, to be a maximum of \$3.10, they were entered up to December, 1955, at the rate of \$3, but thereafter commencing with the daybook entries of January 1956, the entries were made at the rate of \$4.

Mr. Kennedy. Which, of course, would be impossible.

Mr. Constandy. Yes. In that connection, there were two meetings at which the question of the union dues of the carwash employees were discussed, both of them following the entries at the \$4 rate. One of the meetings was a general membership meeting on March 28, 1956, where Mr. Bufalino states the dues are as follows, and he relates them in the coin-machine division, food and beverage, amusement and allied workers, and then the autowash workers dues at the 10 cents per day, which would be inconsistent with the daybook entries of \$4 per month. Following that, on April 25, 1958——

Mr. Bufalino. Mr. Chairman, I would like to have a point of

order here.

The Chairman, Just a moment.

Proceed

Mr. Constand. On April 25, 1956, at another meeting of the general membership, there was a vote taken to determine what the dues shall be thereafter. It was voted that the dues would remain at the rate of 10 cents per day. The daybook entries continued following that date still at the rate of \$4. There is one other item in connection with this meeting that I think is of interest. There is attached to the minutes of the membership meeting a list of the employees who attended. There appears to be a total of 116 employees who attended the meeting, plus 6 employees of the local union, making a total of 122 people. From the list connected and made a part of the record of the minutes of that meeting, there does not appear to be one employee in the carwash division who voted on what his dues for his union should be.

The Charman. Is that all of it? Those documents may be made

exhibit No. 95.

(Documents referred to were marked "Exhibit No. 95" for ref-

erence and may be found in the files of the select committee.)

Mr. Constand. Following along the point, the names of the employees change from month to month as they are entered for a particular employee, as Mr. Bellino has stated. The last-named employee in almost every case, as Mr. Bellino showed, is used simply to balance out the total of the amount paid by the employer to the union, which sum is supposed to represent the total dues for the membership employed at the carwash.

The CHAIRMAN. Is there anything further? Do you want to make any comment about it?

TESTIMONY OF WILLIAM E. BUFALINO—Resumed

Mr. Bufalino. My comment will last pretty long. It is 17 minutes before 12 o'clock.

The CHAIRMAN. I will not give you that long to comment. Is that

record true or false?

Mr. Bufalino. I say that the statements are distorted, and actually an indication that the last name on the bottom of the sheet states \$3.20 only shows that we didn't pocket that \$3.20; that the dues that were sent in went into the books and went into the account of that local union. The statements or conclusions that were arrived at, the statements that were made actually are entitled to a long dissertation on exactly the methods of procedure we have in accounting. I say that those same sheets—when you say simply that actually they are not given credit, the very sheet that you gave me here which you showed to me has their names and those are part of our books and records. We file those. Those become our file sheet. Actually—

The Chairman. Let me ask you one question. Do your books and records show that you pay the international union the per capita tax

on all of those that you collect dues from?

Mr. Bufalino. Well—— The Chairman. Answer the question.

Mr. Bufalino. Mr. Chairman, if you collect 30 cents from a man,

you can't say you pay on \$4.

The CHAIRMAN. I asked you if your records showed that you paid the international the per capita tax, the per capita part, on all men's dues that you collect?

Mr. BUFALINO, I say that the records are there. They speak for

themselves, and I say they are properly kept.

The Chairman. All right. They speak for themselves. We have

been having them do some speaking.

Mr. Kennedy. Is there any statement of fact that was made by Mr. Bellino or Mr. Constandy in connection with this operation that is incorrect?

You have given us a speech, but is there any statement of fact that

is incorrect?

Mr. Bufalino. Well, let's read the statement back. Let us take his testimony and read it back. I can pick it to pieces in 5 minutes.

Mr. Kennedy. Tell us a misstatement of fact. You were here. Mr. Bufalino. First of all, I said it is a phony and it is not true. That is a distorted fact.

Mr. Kennedy. The statement of fact-

The CHAIRMAN. All right. That is one thing he denies. He denies

Mr. Bufalino. I think they are accurate.

The CHAIRMAN. You think they are accurate?

Mr. Bufalino. To the best of my knowledge, I think they are

The Charman. You say they are accurate?

Mr. Bufalino. Yes, and we are interested in the welfare of the workers.

The CHAIRMAN. You say that is in the interest of the welfare of the workers?

Mr. Bufalino. The money goes into the union, it is deducted per dues deduction authorizations, and in there it says that all of them sign dues deduction authorizations, forwarded into the union, according to union contracts, according to union principles, and pursuant to lawful objectives.

The Chairman. All right. If that is your version of it, it certainly makes a record here for the public to consider or for Congress to consider what you regard as being in the interest of union mem-

bers and good unionism.

Mr. Bufalino. Mr. Chairman, I would like to make one statement

on that.

You say that the public and the Congress and everybody is going to consider it. You actually should have a memorandum from me to the Congress, which I will file in my petition for grievances, and explain to them the position that this actually, with all due respect to the Congress and to the committee and the individual Senators, jointly and severally, I say that this has all the earmarks of a legislative trial. The plaintiffs put in their case and the defendant has no opportunity to talk in his own defense.

I want to plead the first amendment of my right to speak and my right to assemble, and I say on my right to petition the Congress.

The CHAIRMAN. You will have the right to disassemble, too, when

we get through.

Senator Ervin. I am going to see that you are now presented with the opportunity to exercise freedom of speech by way of giving a relevant answer to the following question:

Are you prepared to state upon your oath that you saw to it or made any effort to see to it that your local union forwarded to the international its pro rata part of the dues of the members of your

local union?

Mr. Bufalino. I am prepared to state, Mr. Senator, that the money goes into the union, that the international auditors audit the books. They haven't had an opportunity to audit them in 2 years, because we sent a letter to the Senator here, or to the committee, asking for them to be given an opportunity to audit them. They have not audited them yet. I say everything is in accord. The auditor knows everything that is in there, and that is in accordance with the rules in the international union.

Senator Ervin. You see, I asked you a question about your own conduct, and you went off into a flight of eloquence about the auditors. I am going to put the question, a very simple question, to you

a second time.

Do you testify upon your oath to this committee that you saw to it as an officer of your local union that the proper pro rata part of the per capita dues collected from the members of your union, your local union, was forwarded to your international union?

Mr. Bufalino. I am prepared to state that the dues went into the bank account, they were recorded, and that actually the per capita tax was sent in accordance with the rules laid down by the international.

Senator Ervin. Thank you. But you have at least positively sworn—

Mr. Bufalino. You have no positive oath from me. I have my best present recollection, Mr. Senator.

Senator Ervin. Then you are not swearing?

Mr. Bufalino. I am taking an oath and giving you my very best present recollection. I can also tell you, Mr. Senator, that this isn't the first time that we have toyed with words. I say the good chairman here has taken the witness stand and equivocated, Mr. Kennedy took the stand under oath and equivocated about 37 percent of his answers. He says, "I believe." "I may," "maybe," and actually, he went—there, the liberty of a man was at stake in a criminal trial. They were there. I have the breakdown on that, Mr. Senator.

Senator Ervin. If you could reach a convenient stopping point before the last lingering echo of Gabriel's horn trembles into ultimate

silence, I would like to put my question to you a third time:

Are you prepared to swear as a fact that your local union forwarded to your international union its pro rata share of the dues of the members of your local union?

Mr. Bufalino. Mr. Senator, I don't intend to be boxed in on a

play of words.

I intend, as I said, and the record is clear and explicit, that I give you my very best present recollection of the knowledge that I have, of the books and of the records, and I don't guess, I don't give hearsay. I was about to say earlier that right at the turn of the century, Mr. Kennedy's own grandfather took the same position, took the same position in a grand jury in a criminal trial.

Mr. Kennedy. That is your answer?

Mr. Bufalino. Yes. And I don't criticize him for that. I don't criticize him for that, Mr. Kennedy. You did the same thing, and I don't criticize you for giving your very best recollection, your present recollection.

Actually, when he couldn't remember when he was on the witness stand, and he said that he actually would not testify because a man's liberty was at stake, and you will be able to find that in the Boston Daily Globe on June 29, 1909. You talk about my ancestors; that is something about yourself.

The CHAIRMAN. Just a moment.

Mr. Kennedy. He was the mayor of Boston.

The CHAIRMAN. Well, we have the record straight now that some people testify according to their best recollection at the time. That will no longer be in dispute. We concede that this witness says he is doing just that now.

Have you another witness?

Mr. Kennedy. Yes. Mrs. Petz.

Mr. Bufalino. If I am going to be through, I would like to—
The Chairman. You are not quite through, yet. I want to hear a ittle more. But I am trying to get through.

Mrs. Petz, be sworn, please.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mrs. Petz. I do.

TESTIMONY OF MRS. ELEANOR PETZ, ACCOMPANIED BY COUNSEL, H. CLIFFORD ALLDER

The Chairman. State your name, your place of residence, and your present employment.

Mrs. Petz. My name is Mrs. Eleanor Petz, 5970 Whittier.

The CHAIRMAN. Are you employed?

Mrs. Petz. I respectfully decline at this time to answer, and assert my rights under the Constitution of the United States, and its amendments, not to be a witness against myself.

The CHAIRMAN. Would you consider it being a witness against your-

self to state that you are now employed?

Mrs. Petz. I honestly believe that if I were required to answer that question I would be a witness against myself.

The CHAIRMAN. Who are you trying to shield?

Mrs. Petz. I respectfully decline at this time to answer, and assert my rights under the Constitution of the United States, and its amendments.

The CHAIRMAN. Who has threatened you that if you testified here,

they would do something to you?

Mrs. Petz. I respectfully decline at this time to answer, and assert my rights under the Constitution of the United States, and its amendments.

The Chairman. Are you afraid of this fellow Bufalino who sits there?

Mrs. Petz. I respectfully decline at this time to answer, and assert my rights under the Constitution of the United States, and its amendments, not to be a witness against myself.

The CHAIRMAN. Are you married?

Mrs. Petz. I respectfully decline—yes; I am married.

The CHAIRMAN. Do you have children? Mrs. Petz. I have a stepdaughter.

The CHAIRMAN. A stepdaughter.

Do you honestly believe that if you testified here regarding your employment with this union, and told the truth, that the truth might tend to incriminate you? Do you honestly believe that?

Mrs. Petz. Yes, I do.

The CHAIRMAN. You may know. I am not disputing you. You may be telling the truth.

All right, Mr. Kennedy.

Mr. Kennedy. Mr. Chairman, this is the same gimmick that Mr. Hoffa pulled. It is the Hoffa or Bufalino amendment. You put the blame on somebody else and then they come in and take the fifth amendment. There is no reason for this young lady to take the fifth amendment. She kept the books under your instructions, Mr. Bufalino. You testified. You put the blame on her. You said, "Oh, she kept the books."

Mr. Bufalino, that is a—well, I am not permitted to say it here, but that is the way you operate and that is the way Mr. Hoffa operates. You put the blame on everybody else and let them take the fifth amendment. You haven't got the guts to take it yourself.

Mr. Bufalino. You don't believe that. You don't believe that. Because if you are talking about the guts that I have, you don't have

the guts to go into Detroit and defend yourself in a libel suit that I have against you.

Young lady, I present to you here a book containing handwriting in it that has been identified and made exhibit 94 to the testimony here. I ask you to examine the handwriting in this book and state if it is yours.

(A document was handed to the witness.) The CHAIRMAN. Is that your handwriting? (The witness conferred with her counsel.)

Mr. Allder. May the record show that she has looked at it first, Senator.

The Chairman. I beg your pardon. Mr. Allder. I represent her; yes, sir. Do you appear as counsel?

The CHAIRMAN. Let the record show that Mr. Allder appears as

Have you seen the writing in the book that I presented to you, the exhibit?

Mrs. Petz. Yes, I have.

The CHAIRMAN. Do you identify that handwriting?

Mrs. Perz. I respectfully decline at this time to answer, and assert my rights under the Constitution of the United States, and its amendments, not to be a witness against myself.

The CHAIRMAN. In other words, if it is your handwriting, you

think it would be incriminating for you to admit it?

Mrs. Petz. Yes; I do.

The CHAIRMAN. Thank you.

Mr. Kennedy. Mr. Chairman, on my statement, I would like to read from the minutes of the board meeting of September 26, 1955.

The CHAIRMAN. Do you want this witness any further?

Mr. Kennedy. For one more point.

On the 26th of September 1955, in the course of which Mr. Bufalino made the following records, it is recorded that he made the following statement:

Brother Bufalino commented that it was necessary to take complete precautions on anything and everything he does so that in the future nobody can ever criticize any of his actions.

Mr. Bufalino. And you took that probably out of context.

The CHAIRMAN. The whole document—where did we get this document?

Mr. Kennedy: Mr. Constandy got it.

The CHAIRMAN. Mr. Constandy, is this one of the documents you procured from the files of this union? Mr. Kaplan, rather.

TESTIMONY OF ARTHUR G. KAPLAN—Resumed

Mr. Kaplan. Yes, sir.

The CHAIRMAN. That document may be made exhibit No. 96.

(Document referred to was marked "Exhibit No. 96" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Now it is all in the record.

Senator Ervin. May I ask a question?

The CHAIRMAN. Senator Ervin.

Senator Ervin. Mr. Bufalino, did you discuss with this lady, your bookeeper, the question of the advisability of her taking the fifth amendment before this committee?

TESTIMONY OF WILLIAM E. BUFALINO, ACCOMPANIED BY COUNSEL, H. CLIFFORD ALLDER—Resumed

Mr. Bufalino. I counseled with Mrs. Petz, and I explained to her that the fifth amendment is there in those books, in the Bill of Rights, to protect the innocent, and actually the determination is hers and hers alone.

Senator Ervin. Did you explain to her that no person had a right to plead the fifth amendment and to decline to give testimony unless the testimony, if given, would tend to incriminate them in the com-

mission of some criminal offense.

Mr. Bufalino. Actually, I think that that is wrong. Your slant on it may be partially in error. The fifth amendment states that they need not be required to be a witness against themselves.

Senator Ervin. Incriminate themselves.

Mr. Bufalino. I actually should read the fifth amendment right

The Chairman. Just a moment. It will not be read into the record again.

Mr. Bufalino. May I ask the Chair——

The CHAIRMAN. We take judicial notice of what it is. If we don't

already know it by memory, it is too bad.

Mr. Bufalino. Actually, I don't think you should take judicial notice of it, because although it has the earmarks of a legislative trial, this is not a properly constituted body.

The Chairman. If we didn't take judicial notice of it, our ears

have been beaten flat with it. We know what it is.

Is there anything further?

Senator Ervin. The truth is you advised with her to take the fifth amendment so her silence would be a protection for you, rather than a protection for her against her incriminating herself, didn't you?

Mr. Bufalino. That is not so. She counseled with her attorney. The determination was hers. Mr. Senator, if you think that that fifth amendment does not belong in the Bill of Rights, then it ought to be proscribed, and our ancestors, in drawing up the fifth amendment proscribed the bill of attainder. This is actually what it is. The fifth amendment—may a I make a closing statement?

The Chairman. I have let you make one. I am going to make a

closing statement.

Mr. Bufalino. I will probably be convicted, if that is the case, sir, with all due respect to this committee. I actually feel that I am not being afforded an opportunity.

The CHAIRMAN. We will give you another one. I advised you what the situation was here earlier this morning. If you want to come back

before the committee, I will include you for a little longer.

Mr. Bufalino. If I can help this committee, if I can assist this committee in a proper legislative function, I will be back here, within

reasonable time, with a reasonable notice, if the Government pays my expenses.

The CHAIRMAN. I don't believe the contribution you can make is

worth the expense.

Mr. Bufalino. Fine. I will go about my business and represent

the workingman.

The CHAIRMAN. The committee today concludes its hearings on the Detroit phase of our inquiry into the operation of labor unions and

management in the coin-operated machine field.

The operations of Local 985 of the Teamsters Union, headed by Mr. Hoffa's associate, William E. Bufalino, represents a most disgraceful type of unionism. As it now operates it is a leech preying upon working men and women to provide personal aggrandizement for Mr. Bufalino and his friends. This is true in both the coin-operated machine and the auto-wash sections of this local, for nowhere in this hearing is there to be found one scintilla of evidence that local 985 has done anything to help the wages and working conditions of its members in these industries. To the contrary, we have had testimony that members of Mr. Bufalino's local had their wages drastically reduced after they became union members and their employers signed contracts with local 985.

In both the coin-operated machine and the auto-wash sections of local 985, the operations of local 985 amount to nothing less than a shakedown and extortion of businessmen. It is hoped that the evidence this committee has heard will suggest to law-enforcement officials in Michigan the advisability of taking such appropriate action as may be authorized under State laws to deal with Mr. Bufalino and

other officials of local 985.

I may say I think they perpetrate a dastardly fraud upon human beings the way this union operates. I don't want any misunderstanding about the Chair's conclusion with respect to this character of an

operation.

In the evidence it is also clearly shown that Bufalino got his start in the jukebox business in 1946 in partnership with, and with the backing of, certain key figures of the Detroit underworld. It is also clear that some jukebox companies operating with underworld backing have also had the assistance of Mr. Bufalino.

Thus, we find a union in alliance with racketeers, and which fails to, in any way, exercise the proper obligations of labor unionism toward

its members and toward the community.

The committee stands——

Mr. Bufalino. Mr. Chairman, may I invoke one of the amendments to the Constitution?

The Chairman. You may invoke it or quote it, whetever you want to, quickly.

Mr. Bufalino. All right.

I invoke this amendment:

Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof, or abridging the freedom of speech or of the press, or the right of people peaceably to assemble and to petition the Government for a redress of grievances.

I did not take the fifth amendment. I testified fully, frankly, and freely. I am being precluded at this time from continuing.

The Charman. You will be given an opportunity, if you care to

come back, to make further explanation.

Mr. Kennedy. We have a lot more things.

Mr. Chairman, I just want to say that Mr. Angelo Meli was here, and Mr. Angelo Meli informed us through his attorney that he is prepared to testify. One matter that he wanted to have particularly in the record is that he has not indulged in traffic in narcotics. He states that he will give an affidavit to that effect to the committee, if we could not hear him today.

As far as the rest of the record is concerned, he is willing to let it

stand, although he undoubtedly has some disputes with it.

The Chairman. If he provides an affidavit, it will be made a part

of the record.

Mr. Kennedy. I also told his attorney that in case we would not hear him, I would make the statement that we have evidence linking Mr. Angelo Meli with some of the leading gangsters and racketeers in the country during the last few years, including a number of those who are leaders in the field of narcotics.

But he states that he will be willing to tell the committee under oath that he has not himself indulged in narcotics or has not partici-

pated in the trade of narcotics.

We also have here, Mr. Chairman, a statement by Mr. Martin Uhlmann, in connection with a statement that had been issued earlier in connection with the Dorfmans, which we would like to have made an exhibit for reference. We have had testimony in connection with it. It is in connection with another hearing.

The Chairman. Who procured it?

Mr. Kennedy, Mr. Uhlmann.

The CHAIRMAN. That is in the other hearing.

That document will be made an exhibit with the next number. The committee stands in recess, subject to the call of the Chair.

(Members of the select committee present at the taking of the recess were Senators McClellan and Ervin.)

(Whereupon, at 12:05 p.m., the committee recessed to reconvene subject to the call of the Chair.)

APPENDIX

Ехнівіт №. 65

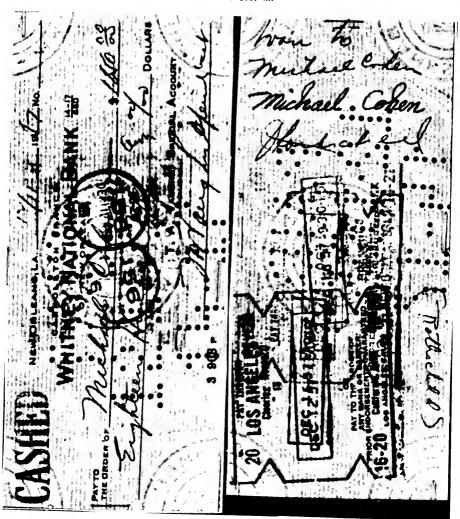
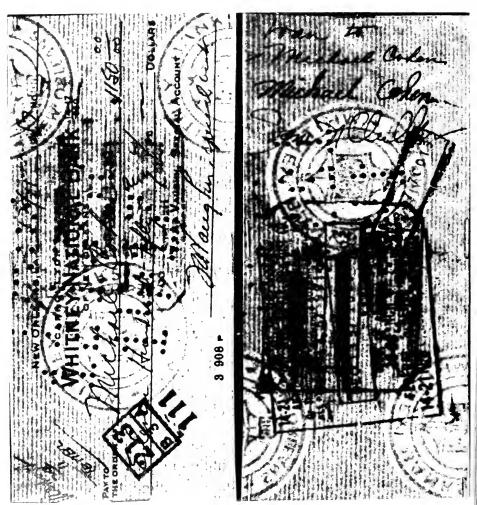


EXHIBIT No. 65A



Ехнівіт №. 66

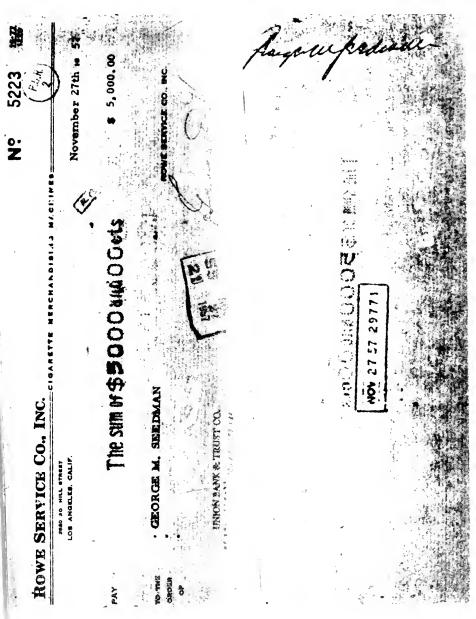
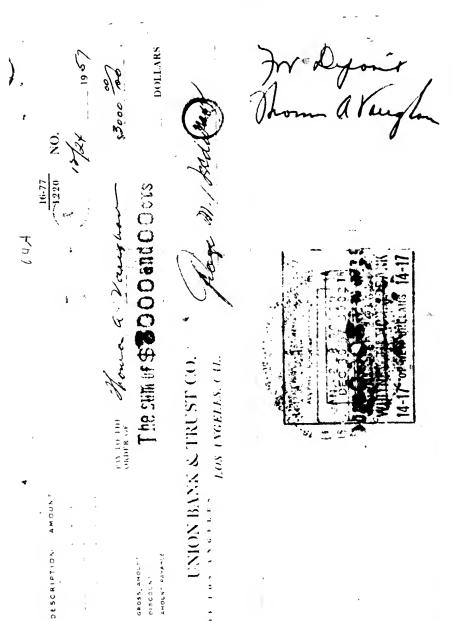
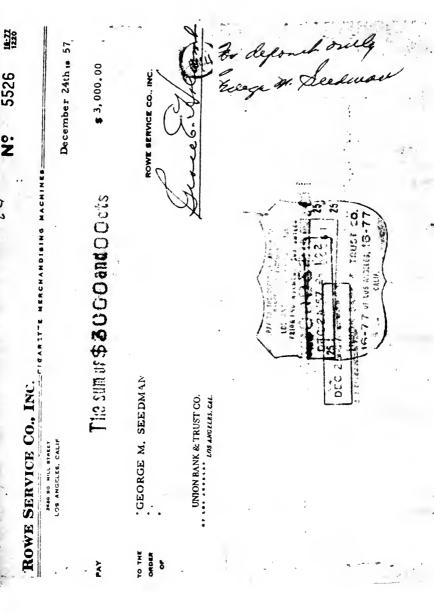


EXHIBIT No. 67



Ехнівіт №. 672



1,

JEFFERSON

1 3403 -1 3404

EXHIBIT No. 72

BEN COHEN

420 LINCOLN ROAD

April 24, 1958

Mr. James Hoffa 25 Louisiana Avenue, N.W. Washington, D.C.

Dear Mr. Hoffa:

Re: Bennett, et al. vs. Local Union No. 390, 10

Pursuant to your letter regarding my fee of \$15,000.00 in the above matter, I am enclosing a list of some of the things that were done in connection with the successful handling of this case.

You can be sure that there was additional work done of which I kept no record and was done only on this case.

With best personal regards,

Sincerely, BEN COHEN

BC-a Encl.

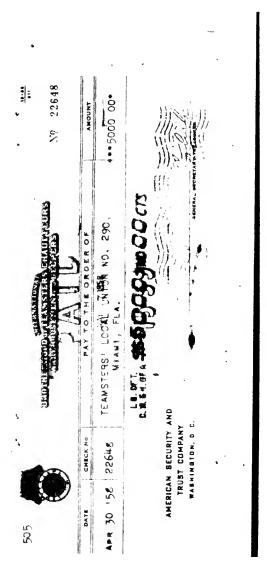
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Ехнівіт №. 72А

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Ben Cohen Office Account Geraldine Adar

EXHIBIT No. 72B



for Hyperial for for transfer Soul 290



EXHIBIT No. 73A



UPPOLITITUDE DETERMINED WHICH OF MORTH AMERICA

Miscolingan Workers

Affiliated with the American Poderation of Labor

1500 North Broad Street Philadephia 21, Pa. - Tel. Poplar 5-7671-2-3-4

March 21, 1966

The Den Sullivan Minni Crine Commission Discayne Duilding Minni, Florida

"Door Mr. Sullivant

"It has eens to my attention that a CEARLES KARPP, who is presenting himself as a representative of our Minni Local 808, is attempting to organize soin making mechanics routeness on behalf of our Local 808.

"I wish to advise you that we do not know Mr. CHARLE LAPP. We have no record of any each person either no a member, efficer or representative of our local 800. If there is such a person. I wish you to know that no one nesset CHARLES KARP is authorized to represent local 800 of the Unbalatororal International Union in the City of Minets.

"I also wish you to know that our local fift does not in ve the authority to organize, and/or accept as mothers, sain machine mechanics remined. Our Local SSS has so been motified and has been directed to coase and decist any and all offurts to organize such employees as members of our union.

Cordially yours,

/a/ Sal B. Moffmas

SMirj

Congrised of-Purniture, Bedding, Gastet, Aming, Gasvas, Brapery and Display Verters and Allied Grafton."

query: - but they have a charter - if so where did it comp - did on could the Intel take screet actions wo . Karpf.

Ехнівіт No. 73B



Ехнівіт No. 73C





of he setting

Secretary of State

Shake of Housida

Tallahassec

May 11th, 1955

Miss Mathieu Electricians Union No. 349 1657 W. W. 17th Avenue Miami, Florida

Dear Miss Mathieu:

As requested in your telephone call to this office today, we have checked our records relative to the status of Charles Karpf and do not find where he has been issued a Business Agent's License for the Upholiterers International Union, Local No. 598, of Miami, Florida.

Cordially yours,

Secretary of State.

/ch

EXHIBIT No. 75

AIRCRAFT · AGRICULTURAL IMPLEMENT WORKERS "AMERICA (UAW-CIO)

INTERNATIONAL HEADQUARTERS . 411 WEST MILWAUKEE AVENUE . DETROIT 2. MICHIGA

ALTER P. REUTHER

MIL MAZEY

RICHARD GOSSER JOHN W. LIVINGSTO 1-19-1950

PHONE TRINITY 14600

August Scholle, President Michigan CIO Council 805 Hofmann Bldg., netroit 1; Michigan

Dear Gus:

I received your letter of December 28th and the enclosed copies of correspondence. There is no question in my mind that Eddy Duck is a very honest and sincere fellow. He has put in a lot of hard work for the CIO, but, in my opinion this has nothing to do with the CIO entering into the field you speak of in your letter. Most of these men are paid very high and controlled by their boss, who has to be some type of racketeer to stay in business.

Unless there is something I am not familar with I am definitely opposed to them being given a charter.

Wishing you and your members the very best of luck in your endeavors in 1950 and with kindest personal regards, allow me to remain,

Richard Gosser, Vice I International UAW CIO Vice President

RG/ead

Ехнівіт №. 79А

S. C. A. M. O. A.

1700 WEST PSCO BOULEVARD LOS ANGELES IS, CALIFORNIA

E. JAY BULLOCK Headyley Streets August 5, 1947

PAirles 8511 PAirles 8531

Michigan Automatic Phonograph Owner's Assn. 712 Pord Bldg. 615 Griswold St. Detroit 26, Michigan

Attention: Mr. Joseph Brilliant, President

Contlemen:

Relative to "night letter" sent July 31, 1947 p.m., of which I requested a return wire collect. To date I have received no reply and on second consideration reslike that it is very possible that the intention of the Wire Wasn't clear and also that it was over-looked as to the return address.

I would like your cooperation on information on a few items, such as:

1. Are you affiliated with the I.B.E.W., if so, does an Owner Operator who works on his own equipment, operate under a permit to service his own machines from the local?

2. Does only the servicemen who are on a wage belong to the local as Union members in good standing?

5. Does the Union issue stickers or does the Association issue the stickers covering both the Union and the Association, or, have you dispensed with the issuance of stickers entirely?

Such information would be of great help, not only to S.C.A.M.O.A. but to the Industry on the west Coast as a whole. If it is possible to obtain this information by wire collect and a letter fellewing, we would greatly appreciate it. If it is possible, we would like the wire to arrive here for a meeting on the 7th of August.

We are in receipt of a letter and a Wire from the Cleveland Association and the Ohio Association (Jack Cohen and Leo Dixon) Which states that only servicemen Wre active members of the I.B.E.W., that small owner operators who work on their own machines operate on a permit from the Union Without the privileges of attending the meetings.

we have been told by two of our operator members that the Chicago orgenization and the Union operate along comparable lines to the Cleveland set up.

Thanking you in advance for any immediate cooperation.

B. Jay Bullock

So. Calif. Automatic Eusic Operator's Assn.
Menoming Director

EJB,

EXHIBIT No. 79B

August 6, 1947

Mr. E. Jay Bullock Managing Director Southern California Automotic Husic Oyerators Association 1341 Murchison Los Angeles, California

Dear Mr. Bullocks

We are pleased to enclose a copy of this Association's agreement with the Teamsters Union of the American Federation of Labor.

I believe the agreement in itself is self explanatory. Historically the A.F. of L. Offers the best affiliation, as we have had considerable experience in Detroit with both the C.I.O. and the A.F. of L. At the present time the union is operating at about ninety eight per cent efficiency in holding locations for members.

Should you lesire further information we will be very happy to supply same on request.

Our Association is considering establishing some system for the comtral purchasing of records for our member operators. We understand that you have established a central purchasing headquarters for Southern California operators. At your convenience, we would appreciate your giving us detailed information on your method of operation and method of establishing this service.

Thanking you in advance for your cooperation in the above matter and assuring you of our desire to cooperate with you in every possible manner, I remain,

r L'ASON .

148

ATTY-EX. KAPLAN

MAG: bk

FILE NO. 1= 24.761.

Very truly yours,

MICHIGAN AUTOMOTIC PHONOGRAPH OWNERS ASSOCIATION, INC.

Morris A. Goldman, President

EXHIBIT No. 83

Friday 6, Aug., 1954

By an arrangement through our attny, Maiullo, I was asked to appear at a meeting at the Teamsters Union Hall on Trumbull St, Detroit.

Joe Maiullo and I met Mr. James Hoffa and Mr. Bert Brennan in Mr. Hoffa's office. Mr. Hoffa related how the Mich. Linen Supply Board of Trade members had been in his office that mourning and had asked him to stop our company from delivering to the Kinsel Drug Stores. They told him that they were going to start a trade war against our company, starting Monday mourning to prevent us from upsetting the market. They claimed that there would be price cutting and the drivers would suffer a pay cut. Mr. Hoffa told Mr. Maiullo and me that his only interest was to see that his men did not suffer a my pay cut. He asked us to explain how we felt about the Associations' demand to not continue to sumply them and that we would welcome any competition. He replied that he would have to take steps to prevent any wage cuts to his union members but said that the companies could do whatever they wanted otherwise. It was not the Unions' concern.

Mr. Brennan expressed the same feelings

As a matter of note Mr. Hoffa and Brennan hai been told that we gave the Kinsel people a favorable lease and severe prive cuts in order to take this business away from the Miner Progressive Linen Supply Co. We explained that was not the case and as far as we could tell Progressive Linen had given bad service and one of their drivers was caught stealing. When they called in other companies no one would consider doing business with them because Progressive Linen was an "Association co." This one fact was enough for them to look for another Supplier.

Aug., 7, 1954

W.1:.C.

STE WARREN AV!

Ехнівіт №. 85А

MARATHON LINEN SERVICE INC



September 3, 1954

Wet Nur 1 2727

Memo To: Joseph Maiullo

RE: Kinsel Drug Company

Enclosed find copy of a letter to Mr. Downey for your files. Not only did Mr. Downey agree on all that we had previously discussed but in the presence of my brother, George, he expressed the desire that as far as he was concerned, the matter was closed.

However, just before we arrived, Mr. Coleman had called to inform him that he was "coming up to see him Wednesday, September 8th, with Ben Hertz and Alac Nichamin of the Progressive Linen Supply".

In summary: Since August 1st, when we first served Kinsel's, our routemen have been receiving the same commission based on the same prices that the Progressive Linen drivers received. We have in effect charged Kinsel Drug Stores the same rates that Progressive charged them right from the beginning of our service. We now intend to charge them these same rates in the future and have no agreement for rebates, refunds, etc., with Kinsel's nor did we discuss any such agreement. You can tell Mr. James Hoffa that what you have promised we would do has been fulfilled and you have kept your word and we have kept ours. In the future we intend to solicit business on this same basis as far as prices and reutemen wages are concerned.

The next move should be to forestall Mr. Coleman's visit to Mr. Downey on Wednesday and eliminate pressure from Mr. Downey.

Marathon Linen Service, Inc.

William N. Genematas

WNG: mac

Ехнівіт Хо. 85В

September 7, 1954

Mr. James M. Maffa 27Al Trumbull Avenue Detroit, 16, Michigan

IN RE: Marathon Linen Service, Inc. - Rissel Drag Co.

Dear Mr. Hoffa!

Pursuant to the understanding which we had on August 31, 1954 with regard to the above captioned matter, Mr. Milliam Communities of Marathon Lines Service, Inc. has been able to negotiate an amendment to the price list of the community which was entered into with Rinsel Drug Co. This manufactuat is agreeable to Mr. Downey of that company.

I enclose herwith a eggy of a letter dated September 2, 1954 from Marathon Lines Service, Inc. to hr. Milliam D. Demney of Minsel Dyag Company, and I also enclose a copy of a letter dated September 3, 1954 from Marathon Lines Service, Inc. to me.

I believe that the matter is now matinfactorily taken core of and, inascench as no member of any local in the joint council will suffer a reduction of wages because of the reduction in price, the Weden no longer has any interest in this matter and it will become a matter of exchange of business.

I appreciate your interest in this matter and I thank you for your courtesy and cooperation.

With removal reparts, I as

Sincerely years,

Joseph A. Bidulle

JAUINA

Registered

CC: Nr. M. Coleman

Mr. Millian D. Domey - Kinsel Drug Co.

Mr. William No Commentes - Marethon Lines

Ехнівіт №. 85С

KINSEL J) any Company

DETROIT 3 MICHIGAN

September 17, 1954

Marathon Linen Service, Inc. 3433 East Warren Avenue Detroit 7, Michigan

Gentlemen:

We are writing you in reference to our linen service agreement of August 1, 1954.

As you know, after entering into the agreement, union officials informed us they were fearful that your supplying of linen to us would precipitate a price war, and they have urged us to continue taking our linen requirements from our former supplier.

You will note that our contract does not require us to deal exclusively with you or take all of our linen from you, but the contract provides that the items shall "be furnished in any quantities requested" and that deliveries are to be made wherever desired.

This will advise you that in accordance with the terms of our contract, we request you to deliver linen only to our store at 17051 Kercheval, Grosse Pointe Park, Michigan, commencing Monday, October 4, 1954. On and after the last mentioned date and until such time as we may notify you to the contrary, we direct you to discontinue supplying linen service items to our other stores and warehouse.

Very truly yours,
KINSEL DRUG COMPANY

By J. A. Downey

EXHIBIT No. 85D

September 22, 1954

Mr. James R. Hoffa 2741 Trumbull Averme Detroit, 16, Michigan

IN RE: Marethon Linen Service, Inc. - Kinsel Drug Company

Dear Jimie:

My sen, Joe, has kept me advised with respect to the developments in the Margthon-Kineel matter.

I understand that on September 10, 1954, when you and Joe discussed the matter, you stated that, if Marathon-Kinsel agreed on an amendment to the price list in their contract so that the 5% reduction from the price in effect with Progressive was restored, the Union would no longer take any interest in the natter because the driver-calements wages would not be reduced.

I am further informed that at a meeting on the same day you informed Mr. Morris Coleman of your organisation, in the presence of Mill Generatas, George Generatas and Mike George, that the Union was no longer interested in the matter because it had been settled satisfactorily; and I understand you also advised Mr. Coleman at that same meeting to stay may from Kinsels.

On September 18, 1954, Marathan was in receipt of a letter from Kinsel dated September 17, 1954, a copy of which I enclose herewith for your information.

On September 21, 1954 my sen, Jee, had a conference with Mr. Glenn R. Miller, atterney for Kinsels, with regard to the matter. Miller stated that Kinsel was reluxtant to take the action it did but was forced to do so to avoid future Union trouble. Miller further stated that Kinsel's relationship with Coleman had always been hauseness in the past and, to insure future harmony, he advised Kinsel's Mr. Mill Downey to accode to Coleman's demand that Kinsel again do business with Progressive.

I am of the epinion that this matter can only be straightened out in a conference, to be held at your effice with all of the principals precent. I would appreciate hearing from you upon your return so that We may arrange for such a meeting.

With personal regards, I am

Sincerely years,

Mehi

or: Marothen Lines Service, Inc.

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